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Thursday, 11 September 2003

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

NOTICES
Presentation

Senator Sherry to move on Monday, 15 September 2003:
That—
(a) the Retirement Savings Accounts Amendment Regulations 2003 (No. 2), as contained in Statutory Rules 2003 No. 195 and made under the Retirement Savings Accounts Act 1997; and
(b) the Superannuation Industry (Supervision) Amendment Regulations 2003 (No. 4), as contained in Statutory Rules 2003 No. 196 and made under the Superannuation Industry (Supervision) Act 1993, be disallowed.

Senator Lightfoot to move on the next day of sitting:
That the Joint Standing Committee on the National Capital and External Territories be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 17 September 2003, from 6 pm to 8 pm, to take evidence for the committee’s inquiry into the role of the National Capital Authority.

BUSINESS
Rearrangement

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (9.31 a.m.)—I move:
That government business order of the day no. 4 (Vocational Education and Training Funding Amendment Bill 2003) be considered from 12.45 pm till not later than 2 pm today.
Question agreed to.

NOTICES
Postponement

Items of business were postponed as follows:
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 17 September 2003.
General business notice of motion no. 582 standing in the name of Senator Brown for today, relating to disposable DVDs, postponed till 15 September 2003.

COMMITTEES

Senators’ Interests Committee

Proposed Variation

Senator DENMAN (Tasmania) (9.32 a.m.)—I ask that notice of motion No. 1, relating to the report of the Standing Committee on Senators’ Interests, be taken as a formal motion.

The PRESIDENT—Is there any objection to this motion being taken as formal?

Senator Brown—Yes.

BUSINESS

Days of Meeting

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (9.32 a.m.)—I move:
(1) That the order of the Senate of 12 November 2002, relating to days of meeting of the Senate for 2003, be varied.
to provide that the Senate not sit on Monday, 3 November 2003 and Tuesday, 4 November 2003.

(2) That the order of the Senate of 11 December 2002, relating to estimates hearings, be varied as follows:

At the end of paragraph (1), add:

2003-04 Budget estimates—supplementary hearings

Monday, 3 November and Tuesday, 4 November 2003 (Group A)

Wednesday, 5 November and Thursday, 6 November 2003 (Group B).

Senator ALLISON (Victoria) (9.33 a.m.)—by leave—I want to restate an argument the Democrats have put again and again, this year and last year, about the number of sitting days. This motion will take away two sitting days and bring pressure on the Senate to deal with legislation again during the late hours of the last few days of sitting, which takes a very big toll on all of us and on the staff. We urge the government to find alternative sitting days to replace those.

We do support the proposal that four days be set aside for the Senate estimates hearings. We think that is important, but it means the removal of two days of sitting from what is already a very low number of sitting days in the year. In fact, that number now matches last year’s number which was an all-time low for a year which did not have a general election. I wish to record our protest that two more sitting days are going. Again, this means there is going to be less time for the Senate to deal with important legislation and more likelihood of us having to rush through bills in the early hours of the morning. Apart from the fact, as I said, that that puts a lot of stress on all of us, it means that the debate on those bills will be less thorough than it might otherwise have been.

Question agreed to.

PAPUA NEW GUINEA: AID

Senator BROWN (Tasmania) (9.34 a.m.)—I ask that notice of motion No. 569, relating to Australia’s aid budget to Papua New Guinea, be taken as a formal motion.

The PRESIDENT—Is there any objection to this motion being taken as formal?

Senator Mackay—Yes.

COMPREHENSIVE NUCLEAR TEST BAN TREATY

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (9.35 a.m.)—I move:

That the Senate—

(a) notes the call to the United Nations Conference on Accelerating Entry-Into-Force of the Comprehensive Nuclear Test Ban Treaty (CTBT) made by prominent Non-Governmental Organisations from around the world, in Vienna on 5 September 2003, including:

A ban on testing is an essential step towards nuclear disarmament because it helps to block dangerous nuclear competition and new nuclear threats from emerging. However, it must be recognised that technological advances in nuclear weapons research and development mean that a ban on nuclear test explosions by itself cannot prevent qualitative improvements of nuclear arsenals. Efforts to improve nuclear arsenals and to make nuclear weapons more useable in warfare will jeopardise the test-ban and non-proliferation regimes. We call on all states possessing nuclear weapons to halt all qualitative improvements in their nuclear armaments, whether or not these improvements require test explosions;

(b) supports a comprehensive global ban on nuclear weapon testing;
(c) notes that the United States is not attending the CTBT conference in 2003; and

(d) calls on:
(i) all nuclear capable states to maintain the moratorium on testing nuclear weapons, and
(ii) the Government to urge all nations to commit to the CTBT.

Question agreed to.

WORLD SUICIDE PREVENTION DAY

Senator BROWN (Tasmania) (9.35 a.m.)—I 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.

I thank the Senate and the Labor Party for enabling this motion to be taken as formal.

Question agreed to.

HEALTH: SMOKING

Senator ALLISON (Victoria) (9.36 a.m.)—by leave—I move the motion as amended:
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 work with industry, unions and health authorities with a view to implementing bans on smoking in pubs and clubs as a matter of urgency.

Question agreed to.

SPORT: ANTHONY MUNDINE

Senator RIDGEWAY (New South Wales) (9.36 a.m.)—I move:
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.

Question agreed to.

ENVIRONMENT: BARROW ISLAND

Senator BROWN (Tasmania) (9.38 a.m.)—I move:

That the Senate calls on the Government to ensure that the proposed Barrow Island gas development not proceed if it:

(a) threatens endangered species or their habits; and
(b) has a negative environmental impact on the Barrow Island marine and land ecosystems.

Question agreed to.

PARLIAMENT: INDIGENOUS REPRESENTATION

Senator RIDGEWAY (New South Wales) (9.38 a.m.)—I move:

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.

Question agreed to.

HUMAN RIGHTS: CHILE

Senator STOTT DESPOJA (South Australia) (9.39 a.m.)—by leave—I move the motion as amended:

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

Question agreed to.

COMMITTEES

Legal and Constitutional References Committee

Extension of Time

Senator Ludwig (Queensland) (9.39 a.m.)—At the request of Senator Bolkus, I move:

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.

Question agreed to.

Legal and Constitutional Legislation Committee

Extension of Time

Senator McGauran (Victoria) (9.40 a.m.)—At the request of Senator Payne, I move:

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.

Question agreed to.

BILLs RETURNED FROM THE HOUSE OF REPRESENTATIVES

Message received from the House of Representatives returning the following bill without amendment:

Health Legislation Amendment Bill (No. 1) 2003

BILLs RETURNED FROM THE HOUSE OF REPRESENTATIVES

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

Migration Amendment (Duration of Detention) Bill 2003

WORKPLACE RELATIONS AMENDMENT (IMPROVED REMEDIES FOR UNPROTECTED ACTION) BILL 2002

First Reading

Bill received from the House of Representatives.

Senator Ian Campbell (Western Australia—Parliamentary Secretary to the Treasurer) (9.41 a.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 Ian Campbell (Western Australia—Parliamentary Secretary to the Treasurer) (9.42 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—

The Workplace Relations Act 1996 provides certain immunities for employees and their organisations, and for employers undertaking protected industrial action during the bargaining process.
Strikes cost jobs. Protected industrial action is a privilege, statutorily conferred once certain requirements have been fulfilled. When an industrial organisation refuses or fails to comply with those requirements, and unprotected industrial action results, then that organisation must quickly be called to account. Industrial parties are not exempt from acceptable standards of behaviour and should not be able to avoid the rule of law.

This bill will ensure that applications for orders to prevent unprotected industrial action are dealt with quickly and that, in dealing with applications, the Australian Industrial Relations Commission takes into account the undesirability of unprotected action.

Section 127 of the Workplace Relations Act 1996 was intended to provide a timely remedy for parties affected by unprotected industrial action. It empowers the Commission to make orders to stop or prevent industrial action. Whilst section 127 has generally proved to be an effective mechanism, delays in making or enforcing section 127 orders have sometimes extended the period during which enterprises and their workers are exposed to unprotected industrial action.

The proposed amendments will require the Commission to deal with section 127 applications within 48 hours of their lodgement, if at all practicable. If an application for an order cannot be determined within 48 hours, the Commission will have the discretion to issue an interim order to stop or prevent industrial action. The Commission, in exercising its discretion, will have to consider factors such as the damage that would be caused to the industry and whether the industrial action forms part of a sequence of related industrial action.

The Commission will also be required to take into account whether a person or organisation engaging in industrial action is bound by a certified agreement that has not yet reached its nominal expiry date, as well as the undesirability of unprotected industrial action.

Debate (on motion by Senator Mackay) adjourned.

TAXATION LAWS AMENDMENT BILL (No. 7) 2003

First Reading

Bill received from the House of Representatives.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (9.42 a.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 IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (9.43 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 makes amendments to the income tax law and other laws to give effect to several taxation measures.

Schedule 1 to this bill will provide tax exemptions for Australian residents who receive compensation payments from an overseas fund relating to the Second World War.

A number of overseas funds are making compensation payments to Australian residents who suffered during the Second World War, or to a deceased resident’s surviving relatives or descendants. The payments are intended to compensate for persecution suffered or property lost during the Second World War.

Under current income tax law some of these payments are exempt from tax but others are taxable.

This measure ensures that payments received by Australian residents from foreign funds in connection with persecution suffered or property lost during the Second World War are tax-free.
Schedule 2 to this bill updates the lists of specifically-listed deductible gift recipients in the Income Tax Assessment Act 1997. It adds to these lists new recipients announced since October 2002. Deductible gift recipient status will assist these organisations to attract public support for their activities.

Schedule 3 simplifies the listing in the tax law of these specifically-listed deductible gift recipients. It allows any new specifically-listed deductible gift recipients to be prescribed in regulations. It also provides for the transfer of all existing specifically-listed deductible gift recipients from the Income Tax Assessment Act 1997 to regulations.

This simplification is part of the Government’s response to the Report of the Inquiry into the Definition of Charities and Related Organisations. It will allow continued scrutiny by the Parliament but will make legislative amendments concerning specifically-listed deductible gift recipients less administratively costly and more timely.

This measure also allows deductions for cash donations to deductible gift recipients to be spread over a period of up to five years. This will ensure that cash and property gifts are treated similarly, and will make it more attractive for taxpayers to make donations to deductible gift recipients earlier. Deductible gift recipients that receive funds earlier from donors will benefit from the amendments.

Schedule 4 will amend the Crimes (Taxation Offences) Act 1980 to correct a technical deficiency with the deeming mechanism in this Act, and to include Criminal Code harmonisation amendments to clarify the interpretation of offences under the Criminal Code.

Schedule 5 introduces a measure which will allow certain entities with foreign losses to be excluded from a consolidated group on a transitional basis, notwithstanding that they are wholly-owned by the group’s head company. Entities will have up to 3 years to recoup their foreign losses prior to joining the group, rather than being subject to consolidation rules which may impact harshly in some instances.

Schedule 6 will make amendments to ensure that the goods and services tax interacts appropriately with the consolidation regime. In particular, the amendments will provide that certain supplies made as a consequence of the statutory operation of the consolidation law or as a result of agreements that are entered into because of consolidation will not be taxable supplies. These changes will ensure that entities are afforded similar goods and services tax treatment under the consolidation regime as the treatment they received in a pre-consolidation environment.

Schedule 7 amends the Income Tax Assessment Act 1997 to include imputation rules for life insurance companies, replacing the current rules set out in the Income Tax Assessment Act 1936. The amendments form part of the ongoing implementation of the government’s reform of business taxation in respect of the imputation system.

Broadly, the provisions are concerned with setting out the circumstances when franking credits and debits arise in the franking accounts of life insurance companies from the payment and refund of tax or the receipt of franked dividends.

The provisions will apply from 1 July 2002, consistent with the commencement of the simplified imputation system. The life insurance industry has been involved in the development of these provisions.

Schedule 8 amends the overseas forces tax offset provisions of the Income Tax Assessment Act 1936 to exclude periods of service for which an income tax exemption for foreign employment income is available.

Schedule 9 to this bill amends the Income Tax Assessment Act 1997 to provide an automatic capital gains tax roll-over for financial service providers on transition to the Financial Sector Reform regime during the Financial Sector Reform transitional period.

The capital gains tax roll-over will ensure that the capital gain or capital loss that would otherwise be made when the original asset comes to an end is deferred until a CGT event happens to the replacement asset.

This measure will encourage financial service providers to move to the Financial Sector Reform regime by removing potential capital gains tax impediments during the Financial Sector Reform transitional period.
Schedule 10 changes the current company tax treatment of foreign limited partnerships and US limited liability companies to partnership treatment. This will alleviate unintended and inappropriate outcomes from the current treatment especially under the international tax rules.

In order to prevent investors with limited liability obtaining unlimited access to tax losses relating to these entities, which would occur under the normal partnership rules, the Government has introduced a limit on the losses that may be claimed. The limit is based upon the amount invested in the foreign entity by the investor.

The new rules will generally apply from the 2003-2004 income year. In addition, changes are being made to the way in which these foreign entities have to be treated for some past income years under the international tax rules. This will remove considerable uncertainty surrounding these years and lead to fairer results.

The new rules will provide a better alignment of Australian and foreign tax rules for Australians operating offshore.

Lastly, Schedule 11 to this bill makes a number of technical amendments to the Income Tax Assessment Act 1936, the Income Tax Assessment Act 1997 and other tax-related legislation.

Full details of the measures in this bill are contained in the explanatory memorandum.

I commend this bill.

Debate (on motion by Senator Mackay) adjourned.

SEX DISCRIMINATION AMENDMENT (PREGNANCY AND WORK) BILL 2002

Consideration of House of Representatives Message

Message received from the House of Representatives returning the Sex Discrimination Amendment (Pregnancy and Work) Bill 2002, acquainting the Senate that the House has disagreed to the amendments made by the Senate and desiring the reconsideration of the amendments.

Ordered that consideration of the message in Committee of the Whole be made an order of the day for a later hour.

Senator MACKAY (Tasmania) (9.43 a.m.)—by leave—I would like to make a short statement and ask the government a question. With respect to the Sex Discrimination Amendment (Pregnancy and Work) Bill 2002, which has just been adjourned to a later hour, I ask the government precisely what a ‘later hour’ means, rather than adjourning it to the next day of sitting.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (9.43 a.m.)—I am informed by my Clerk Assistant that, if we finish TLAB (No. 3), it could be listed after that, but we can talk about that. It is something that could occur later.

Senator Faulkner—Your Clerk?

Senator IAN CAMPBELL—The Clerk Assistant.

NON-PROLIFERATION LEGISLATION AMENDMENT BILL 2003

Report of Foreign Affairs, Defence and Trade Legislation Committee

Senator FERGUSON (South Australia) (9.44 a.m.)—At the request of the Chair of the Foreign Affairs, Defence and Trade Legislation Committee, Senator Sandy McDonald, I present the report of the committee on the provisions of the Non-Proliferation Legislation Amendment Bill 2003, together with the Hansard record of proceedings and submissions received by the committee.

Ordered that the report be printed.

AUSTRALIAN NATIONAL TRAINING AUTHORITY AMENDMENT BILL 2003

In Committee

Consideration resumed from 10 September.
The TEMPORARY CHAIRMAN (Senator Ferguson)—The committee is considering Democrat amendment (1) moved by Senator Allison.

(Quorum formed)

Senator NETTLE (New South Wales) (9.48 a.m.)—I move Greens amendment (1) on sheet 3081 revised:

At the end of item 1A, add:

18B Publication of agreement on Internet

The Commonwealth Minister must cause the Authority to publish the agreement or any amendment of the agreement on its website within 15 sitting days of either House of the Parliament of the agreement being made or amended by the Commonwealth, State and Territory Ministers.

The Australian National Training Authority Amendment Bill 2003 seeks to remove the capacity for ANTA agreements to be placed in the legislation at the time at which they have finished being negotiated and agreed to. The Australian Democrat amendment that we have previously been discussing moves to ensure that the minister tables the ANTA agreement in the parliament within 15 sitting days after the agreement has been made. The Australian Greens amendment that I have moved now to the Democrat amendment we were discussing comes as a result of interested parties having contacted the Australian Greens about the accessibility of the information in the ANTA agreement. The Australian Greens recognise the government’s comments that they will be accepting the Australian Democrat amendment to table the information.

Concerns were raised with us about the accessibility of that information, and so the Australian Greens have proposed that the information that is tabled in parliament also be available on the ANTA web site. It may come as some disappointment to senators to know that sometimes when things are tabled in parliament they can be lost in the sense of public accessibility to that information, so that is the basis in our amendment for having them accessible on the ANTA web site. It is part of a recognition that previously, interest groups and third parties were able to access the information as it was amended in the legislation. We believe that this amendment allows the web site to be recognised as a clear and distinct place where that information can be based. The Australian Greens originally would have preferred to have a shorter time frame in which the ANTA agreement was placed onto the web site, but after discussion with government and others on this issue we agreed to move an amendment which fits within the same time frame as the Australian Democrat amendment. I acknowledge the comments of the minister yesterday about accepting both amendments from the Australian Democrats and the Australian Greens, and I commend the amendment to the chamber.

Senator CARR (Victoria) (9.51 a.m.)—I was making some comments last night about these issues. I was, unfortunately, not aware that this matter was coming on so quickly. Senator Faulkner interjecting—Senator CARR—I was just not on the ball this morning. I was busy plotting and planning to do great mischief to this government, Senator Faulkner, and I am sure you will be pleased to hear that. The unfortunate consequence of that was that I was not able to make a few comments about these amendments. I have indicated that the opposition is supporting these amendments. The questions that have been raised, I think, are clearly worthy of support. Unfortunately, they do not necessarily go to the key issues that are at stake here and, if it was not for the provocative and I might say unhelpful com-
ments by the minister at the table last night, I suspect that this bill may well have been dealt with last night. I draw that to the attention of the Manager of Government Business in the Senate. It might be necessary for government members, in the final stages of this parliament, as they face the prospect of moving over to the other side of the chamber, to perhaps give advice to the ministers about what it takes to get legislation through.

I would like, nonetheless, to raise one matter I have yet to raise in this debate, and that is to congratulate the government on its appointment of Mr Julius Roe to the ANTA board. I have known Mr Julius Roe for some years. While there has obviously been considerable debate about the structure of the ANTA board and the various personnel appointed to it, there comes a time occasionally when the government does make decisions which are appropriate for the welfare of this country. This is one of those occasions. The appointment of the National President of the Australian Manufacturing Workers Union to a position on the ANTA board is a decision that is long overdue. Mr Roe would probably be one of a small group of specialists within the trade union movement. There is a great deal of interest and knowledge in the trade union movement about the operations of the vocational education system, but there would be few that could rival Mr Roe for a knowledge of the system and commitment to it, which he has developed over many years of experience.

Mr Roe is a member of the Victorian Qualifications Authority. He is also an active member of the Joint Industry Training and Education Council, JITEC, and he has been working in this area for many years. I think he developed his interest while he was working for the tramways board in Melbourne, not as a manager in a management position but as a driver. He was heavily involved as he became an official of the Metal Workers Union from 1987. The Metal Workers Union have a longstanding commitment to vocational education and see themselves as a very important player in the ongoing welfare of this sector. They have devoted resources to it, which is highlighted by the fact that so many of their senior officials have committed to this type of work. I notice that Mr Hornrey, the chairman of the ANTA board, welcomed Mr Roe’s appointment and I join with him in acknowledging the strength of this appointment. I look forward to Mr Roe’s contribution.

ANTA has recently had some serious losses of staff. I do not say there is anything untoward in this, but the fact remains that the CEO and the deputy CEO have moved on. I think Ms Moira Scollay and Mr Paul Byrne equally did a first-rate job while they were there. There are new officers coming on board, and I think they have an enormous challenge before them, particularly in the context of their not really getting the full support of the government in regard to the importance of vocational education. Appointments such as Mr Julius Roe’s will help make up the gap left by the government. This is where the real weakness is. The government has at least had the sense to acknowledge the strength of his commitment. It is a pity the government did not share it.

The TEMPORARY CHAIRMAN (Senator Ferguson)—The question is that the amendment moved by Senator Nettle to Senator Allison’s amendment be agreed to.

Question agreed to.

The TEMPORARY CHAIRMAN—The question now is that Senator Allison’s amendment, as amended, be agreed to.

Question agreed to.

Bill, as amended, agreed to.

Bill reported with amendment; report adopted.
Third Reading
Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (9.58 a.m.)—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

MIGRATION LEGISLATION AMENDMENT (SPONSORSHIP MEASURES) BILL 2003

Second Reading

Debate resumed from 25 June, on motion by Senator Ian Macdonald:

That this bill be now read a second time.

Senator SHERRY (Tasmania) (9.58 a.m.)—Labor will be supporting the Migration Legislation Amendment (Sponsorship Measures) Bill 2003. In the winter session of parliament this year, when the bill was introduced into the House of Representatives, Labor signalled to the Minister for Immigration and Multicultural and Indigenous Affairs that we would be supporting the bill in the House of Representatives and that when the matter came before the Senate we would be seeking a short inquiry by a Senate legislation committee. That inquiry has in fact been held and a report was tabled in this chamber in August this year which delivered some minor improvements to the original bill. The inquiry was to enable an examination of what is largely a technical change to the way in which the migration scheme works but a change we believe is warranted. However, while we are supportive of the specific proposals in this bill, Labor believes that for these proposals to be successful the government must improve its inept handling of the migration program and the minister must make much greater efforts to ensure the whole program is administered with greater integrity, transparency and humanity.

This bill deals with the question of sponsorship, which is a feature of a number of different visa classes. Sponsorship ensures that a permanent resident in Australia assumes responsibility for supporting and ensuring visa compliance by a person entering Australia. While sponsorship has become an increasingly common feature of the migration system, it has appeared visa class by visa class through regulations. The bill is designed to establish a legislative framework for a sponsorship regime. The framework established by the bill provides for the following: sponsorship to be a criterion for a valid visa application and for the granting of a visa, a process for the approval of sponsors, undertakings to be made by sponsors and mechanisms for the barring of sponsors.

The bill provides only a framework. The details of sponsorship requirements will be prescribed in regulations on a visa by visa basis. Clearly, Labor will be scrutinising these regulations as they are made and they can be disallowed by the parliament when we believe they are not consistent with the legislation. The framework contained in the bill provides that the matters dealt with, including prior approval of sponsorship, the enforcement measures and the barring provisions, are reviewable by the Migration Review Tribunal.

The framework contained in the bill also provides that the enforcement measures proposed at this stage will apply only to temporary residents in Australia who have come here sponsored by businesses under the two specific business categories—the 457 business long-stay visa and the new professional development visa. Sanctions are not applicable to sponsors of people in other visa classes. I understand the government has been motivated to focus on enforcement issues for temporary residence for two reasons. Firstly, there has been much expressed concern about visa class 457, which is the busi-
ness long-stay visa. It allows a person to be sponsored into Australia with some restrictions for the purposes of employment. Labor has been pressing the minister to introduce sanctions against employers who breach their obligations. However, to date this has not happened. The minister has said that he is thinking about it, and thinking about it, and thinking, and thinking, and thinking. Actually he has been doing so much thinking it has been more than three years since his initial statements. However, through the Senate estimates process Labor has been able to establish that no specific legislation dealing with that point has been drafted. The sponsorship framework in this bill enables some of those enforcement matters to be dealt with in the visa class itself.

The second main purpose for dealing with enforcement questions around temporary residence in Australia has been motivated by the newly heralded visa class dealing with professional development. This was part of the international education package which formed part of the budget related announcements around higher education. As part of the international education package there is a government commitment to the introduction of a professional development visa. This new visa is designed to enable training providers to deliver tailored academic and practical training for professionals, managers and government officials from overseas. This visa will enable Australian education providers to capture a portion of the growing market for such training, particularly from China in the lead-up to the Beijing Olympics.

The application will be a two-step process of sponsorship approval and visa application. Only applicants with a sponsor will be approved. So the framework of this bill, as it does with sponsorship heralding the introduction of enforcement measures around temporary residence, obviously contemplates resolving some of the difficulties that we have had with the 457 business long-stay visa and ensuring that we have a robust system to obtaining compliance around the new professional development visa.

When we come to the question of the requirement for enforcement measures around these visas, and specifically visa 457, the business long-stay visa, it is time the government acted to deal with the problems that we face with the exploitation of this visa class. What we know about this visa class is that visa holders are sponsored by employers and the visa allows employers to sponsor an overseas employee if their business will advance skills through technology or training and the employer agrees to comply with Australian industrial laws.

That is the technical requirement. Experience in the field is greatly to the contrary. There has been increasing evidence of unscrupulous employers sponsoring temporary workers into Australia on the basis of claiming a skill shortage and then exploiting these foreign workers. DIMIA evidence to Senate estimates has indicated that employers have breached industrial laws in the way in which many of these workers have been treated. Indeed, it is likely that the detected cases are only the tip of the iceberg. We do know that during the two years between July 2000 and May 2002 DIMIA recorded serious breaches by 24 sponsoring employers involving 63 subclass 457 visa holders. These breaches included underpayment, either below the award or below agreed amounts; taxation offences; excessive working hours; failure to provide superannuation; non-payment of overtime, penalties or other agreed payments; provision of substandard accommodation; demand for excessive payments or bonds in regard to accommodation; breach of occupational health and safety standards; unfair dismissal; and outright intimidation.
The visa 457 is not the only temporary visa with which there has been a problem of exploitation of foreign labour. It is also clear that the temporary short-stay business visa subclass 456 is being exploited. There was evidence not long ago of a South African slave ring being set up and built up involving this visa class. Subclass 456 was created in 1995 and is issued on the basis that the activities the holder will be engaged in cannot be done by an Australian permanent resident or citizen. Clearly, that means that Australia would have to be in a circumstance of critical skills shortage in the relevant area.

But we find this is not what is happening with this visa. In November 1997, in response to evidence that some visa subclass 456 holders were working for extended periods in Australia in relatively unskilled professions, the minister, Mr Ruddock, changed the scheme so that the application would only be accepted from outside Australia. While that was a well-motivated change, it has not fixed the problem. Applications for subclass 456 are accepted at most Australian overseas posts and it is not necessary to conduct a face-to-face interview before the visa is awarded. Electronic applications are invited and may be lodged by someone other than the applicant, such as an agent. It is possible that, if anything on the application were considered suspicious or raised questions, the applicant would be interviewed by DIMIA representatives at the mission where the application is lodged, although interviews do not occur as a matter of course. It is obviously very easy for the applicant or the agent simply to lie when completing the form. Given there is no way for DIMIA to check the validity of signatures on the form, forging signatures is easy.

The way in which these visas were misused was exposed by what became a notorious case of a South African man who was seriously injured in New South Wales in October 2002. He arrived in Australia in August 2002 on a 456 visa but was not a person with unique skills. He worked as a labourer in the construction industry, 14 hours a day, seven days a week, and was promised full remuneration for his labour when he returned to South Africa. His wife in South Africa is understood to have received a weekly stipend of $100.

There were two deaths at the site, including the employer, also a South African national, and the man with the 456 visa was seriously injured. He was discharged from hospital in less than a week and against doctors’ orders, despite his very serious injuries. He was placed on an Australia-Johannesburg flight paid for by his employer’s widow. Investigations revealed that this visa was obtained by an Australian company which sent a request on a letterhead for a suitably qualified businessperson to travel to Australia to undertake commercial research. There is a lot of difference between commercial research and working on a building construction site. On the strength of the letter, the visa was granted and the man did not have to apply in person. DIMIA has confirmed that such business visas are commonplace. This is a very clear and graphic example of misuse of this visa. The man had no unique skills, he was not being employed in the occupation disclosed on the visa application and regrettably he was seriously injured in an accident on a construction site where all known health and safety standards were thrown out the window. Indeed, it was such a serious accident that two people were killed.

The minister has dismissed serious allegations raised by the South African government regarding the existence of similar schemes where black labour is exploited. However, evidence of abuse of the business visa continues to grow. There are lawyers who have claimed that three South African black chefs have been underpaid more than $300,000 by
a Sydney restaurant which is operated by a white South African migrant. All three chefs were brought to Australia on 456 visas and transferred after three months to 457 visas. None would have been entitled to either visa subclass on any genuine application of the law and regulations and most of their earnings were repatriated to South Africa in rand. That clearly shows that there is a major problem with these visas in terms of compliance and they are not insignificant in number when you add them up across the globe. Labor says there is evidence that this government has refused to address the problem of illegal foreign workers. By that, I mean people who either are working here without an appropriate visa—that is, they may have come in as a tourist or under some other visa class and commenced to work in breach of visa conditions—or they have received a 456 or 457, even though, on any proper application of the law, they ought not to have received them.

Why has the Howard Liberal government failed to act? We would say it is for two main reasons. Firstly, the Howard Liberal government has found it politically expedient to target boat people rather than to protect Australia from the real immigration challenge it faces, which is this kind of misuse of the migration system. Secondly, the Howard government has been too frightened to stand up to employers. The Howard government did nothing in this area until 1999 when DIMIA conducted the review of illegal workers in Australia. Following this review, the government launched initiatives in November 2002 to help employers to check work rights of prospective employees. This included a pilot workers’ rights information line and a free-call centralised work rights fax-back facility.

The government canvassed the possibility of a new legislative sanctions regime but received a very negative reaction, particularly from employers but most spectacularly from the National Farmers Federation. As I am sure senators in this chamber would be aware, the NFF were able to feed their views into the National Party, that very weak, wimpy and doormat partner of the Liberal Party. As a result of the kind of reaction received, the government backed down. Consequently, the only thing that happens to employers who employ illegal labour is that warning notices are issued.

This legislation heralds the prospect that the government might do some things to finally address this area. As I indicated at the commencement of this debate, the details of the things the government is prepared to do will be contained in regulations relating to individual visa classes. On behalf of the Labor opposition, I put the government on notice that we will be scrutinising them very carefully to see whether or not they are adequate to meet the challenge or whether or not they have been moulded with one eye firmly on the reaction of employers, particularly the NFF—this case is one of the few times when the National Party has had any clout at all in decision making in this government. We will seek to ensure that the regulations for these visas address matters such as award wages and conditions and meet occupational health and safety standards.

We will also continue to press the government to adopt Labor’s green card proposal, which we believe is the key to making sure that we can crack down on illegal workers in this country. The green card was launched as Labor’s policy at the end of last year. We believe it is a sensible measure to ensure compliance and to identify foreigners with work rights, which of course would mean it would be easier to identify foreigners without work rights. It is a comprehensive measure that includes changes to the tax file number system. Apart from loss of face, we see no reason why the Liberal Howard gov-
ernment could not seriously consider that policy and pick it up. We will continue to press the government to do so.

I will deal briefly with the findings of the Senate Legal and Constitutional Legislation Committee. One of the reasons we asked the committee to look at the Migration Legislation Amendment (Sponsorship Measures) Bill 2003 was that the devil is in the visa regulation detail. Not surprisingly, when the committee looked at this bill they expressed some concern about this aspect of the legislation as well. In fact, in their conclusion the committee stated their concern that the proposed broad amendments do not establish a scheme that is transparent and that the committee’s task of scrutinising this bill has been made more difficult by the lack of detail or information as to the ambit of proposed regulations. The committee also noted great concern about the possibility of the provisions in the bill being extended at some future time to other visa classes in the family stream, something which could indeed occur with further regulations being enacted.

One of the key recommendations, recommendation 2, concerns how this could be dealt with. Because of the broad regulatory framework established by this bill, the committee recommends that the Senate ensure that future regulations made under these provisions are scrutinised most carefully to ensure that more onerous sponsorship obligations are not imposed without adequate justification and consultation, particularly in relation to family stream visitors, and that appropriate decisions are prescribed as reviewable by the Migration Review Tribunal.

One of the greatest concerns was the possibility that, under this legislation, sponsors would be held liable for potentially unlimited costs relating to locating, detaining and removing a sponsored person if the visa conditions were breached. This is covered in the notes to section 148 of the bill. While there was no argument with the requirement for sponsors to take some financial responsibility for their employees under a sponsored visa class, the new provisions could impose an unreasonable financial burden on employers, making sponsorship a business and making professional development applications an unattractive proposition. The committee recommended that either a regulatory impact statement be prepared before proposed section 148 may proceed or that the section be amended to provide that costs for locating and detaining a sponsored person are specifically excluded from the ambit of the regulations that may be made under that section. The opposition are therefore pleased that the government has agreed to recommendations from the Senate committee that there be a limit placed on the costs for each visa class. An amendment to this effect has been moved by the government.

Another aspect of concern that was raised by witnesses before the committee and by the committee itself was whether or not decisions regarding visa applications for sponsored visas should be reviewed by the MRT. The removal of the merits review could have serious consequences for individuals holding their sponsored visas. It seems like a very blunt tool to use for the purpose of preventing abuse. The committee also found in the course of its inquiry that the loophole being exploited by some of the current visa holders and applicants has already been addressed by two previous regulations, but the department failed to mention this in its submission to the committee. Once again, our concern about the integrity of the migration system and the transparency of its decision-making and legislative processes is not made easy by a finding such as this.

In considering submissions before the inquiry, and in questioning witnesses who appeared before the inquiry, there were a num-
ber of other concerns about the potential impact. The breakdown of the relationship between the visa holder and the sponsor is not uncommon. Some witnesses gave evidence that putting more onerous sponsorship obligations onto both parties could lead to a greater incidence of violence or intimidation of sponsored workers.

On the issue of cancellation or barring of sponsors for temporary classes of visas under sections 140L, 140J and 140K, the lack of detail provided in the bill was noted again. The heavy reliance on future regulations to give further information made it difficult for the committee to properly scrutinise. At the end of the committee process, Labor senators agreed with the two recommendations put forward—for a regulatory impact statement and for careful scrutiny of future regulations made under these provisions. We agreed with concerns raised in the submissions, particularly those relating to the application of the proposed regime to sponsor family visitor visas, the ability of the MRT to review decisions on visas and sponsors, the impact of full sponsorship obligations in the context of violence and abuse and the breadth of possible sponsorship undertakings. The government has put forward amendments. With these reservations, we will support the passage of this bill; however, we will monitor carefully whether the spirit of the bill and these concerns are reflected in future regulations. We would also reiterate that the sanctions regime against employers, as outlined in this bill, is not anywhere near as rigorous or tough as that proposed by Labor and its policy announcement in 2002. This government refuses to get tough on employers for fear of losing their support in either financial or other terms. Regrettably, there will continue to be an abuse of the system in this way. (Time expired)

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (10.19 a.m.)—I speak on behalf of the Australian Democrats on the Migration Legislation Amendment (Sponsorship Measures) Bill 2003. The bill is designed to enable sanctions to be applied to sponsors of temporary entrants where those sponsors do not meet the agreements or the undertakings they put forward to sponsor somebody into Australia. It is designed to be particularly effective where there is a breach of formal undertakings given to the Department of Immigration and Multicultural and Indigenous Affairs by those sponsors. It is consistent with government policy, under which sponsors who bring visa holders to Australia should bear costs associated with them and plan for these costs when making a decision to sponsor an overseas person to come to Australia.

This is a position that I have some sympathy with—as in many circumstances, with qualification. Those qualifications are: who it applies to and the extent to which the undertakings or the costs can be applied to people. I believe that, when people sponsor somebody for business purposes and say they are going to offer somebody a job and then do not do so, that sort of activity should clearly be penalised and sanctions should be able to be applied. The concern I have is when it is inadvertent breaching, particularly by sponsors who do not have a lot of resources. How best to divide those differences is something the bill does not seek to do and this leads to the possibility of regulations. The bill amends the act to apply to all visa classes, and it is drafted in such a way that the amendments cannot be activated unless and until specific regulations are made in relation to the enforceability of undertakings. That, in effect, is the crux of the problem before the Senate today.

The minister has written to me saying that sponsorships for the family stream, for example, will not be affected by these changes to the act, as specific regulations have not
been made to cover these visas, to which I would have to add the words ‘not yet’. The government is initially proposing that the controls imposed by this act apply to only two major visa classes—the existing long-term business entry, visa class 457; and the new visa class, the sponsored training class or professional development visa. They may be the only two it will apply to at the moment, and the government may be giving undertakings that it will not apply to the family stream in the future but, unfortunately— unlike undertakings that sponsors give, whereby if those undertakings are breached sanctions are available—if undertakings the government gives are breached there is not much scope for sanction by the parliament or by anybody else.

The problem the Democrats have is the lack of detail available for us to make an informed decision about the long-term impact of this bill. As Senator Sherry said, the devil is in the regulations’ detail. Unfortunately we do not have that regulatory detail, so the devil is still out there somewhere—and who knows what he or she may get up to? This is a bill which leaves virtually all the detail to regulations—a bill which potentially affects all visa classes that are not permanent entry visas, and a bill which has 34 sections, all of which need regulations to provide the fine detail.

The government argues that this is a framework which the details will hang from, and they will be determined later in the day. It argues that the Senate have the power to scrutinise this detail and disallow the regulations if we do not like them. I will expand on the problem that may occur in relation to such a suggestion down the track. When the bill was before the Senate committee—and Senator Sherry has given a reasonably good outline of some of the concerns the committee had and some of the concerns that were raised in the submissions—a fairly frequent response by the department officials was, ‘If you do not like the detail that we bring in in regulations, you are free to disallow them.’ I was somewhat willing to take that on trust. It always surprises me that, after so many years in this place, I continue to take things on trust—particularly from this government—but I was somewhat willing to do that.

Being on the Senate Standing Committee on Regulations and Ordinances and keeping a close eye on migration regulations in particular, certainly on a number of occasions I have thought areas worth examining to see whether they should be disallowed. On a few occasions, I have moved for the disallowance of parts of migration regulations—once or twice successfully; usually unsuccessfully. However, this government has just introduced a regulation—pertaining to a different matter, I must say—which is specifically designed to basically make it impossible to disallow a component part. The regulation was drafted in such a way that the disallowance will hurt a significant number of people around one area whilst trying to address the component that I have a strong opposition to.

I would be interested to ascertain how long the government feels it can keep saying to the parliament or the Senate, ‘Just pass this legislation, which gives us a whole range of powers that will be initiated once we get the regulations out there,’ but not giving us the regulations and saying, ‘You can see the detail when they appear and, if you do not like it, deal with it then.’ This is particularly relevant to another piece of legislation that is also before the committee at the moment, to do with empowering the department to require people to provide a range of personal identifiers. Again, it is legislation that will provide a lot of power, but the detail of what that power will be used for will still not be available until the regulations appear.
The point is not what is in this bill—or that other bill, for that matter—because we can examine what is in this bill; the point is what is not in this bill. We cannot know for sure. All we have before us is a framework. We have concerns—I believe very valid concerns—that this bill has the potential to impose changes down the track on the family visa streams which provide for visas for husbands, wives and de facto partners, including same-sex partners, of Australian citizens, and the prospective marriage spouse visas for fiances of Australians who intend to come to Australia and marry their partners here. That power is provided within this bill if regulations are moved down the track to try and initiate that power.

It does need to be emphasised that delegated legislation, by its very nature, is not scrutinised as comprehensively either by this chamber or, equally importantly, by the public. People can say that that is our responsibility and it is up to us to do it, but every piece of primary legislation that comes before this chamber has to be debated, has to be moved and is easily available. Apart from it being much harder to understand what regulations actually mean, they are not even formally tabled as documents in this place. We just get a list with the titles on it.

Whilst we do have the regulations and ordinances committee and it does an absolutely critical job, it does only look at a specific range of issues. It does not look at policy detail and policy impacts. There are also issues in terms of the accessibility of regulations and delegated legislation instruments for the general public. I think that needs to be emphasised as well, in terms of the greater difficulty there is in giving the proper scrutiny to regulations that is required. I should emphasise that in the migration area I take great care in scrutinising every regulation that appears. If bills like these continue to go through, we will have to take even greater care to scrutinise them even more closely. I would suggest that we get more stringent about putting forward objections to components we disapprove of.

Concerns in relation to this legislation that have been raised by migration and legal experts are that the inclusion of measures in regulations could impose financial criteria to be satisfied before an Australian is approved as a sponsor of their partner prior to the date of lodgment or before the application would be considered a valid application. This could then make an application for, say, a spouse visa an application that cannot be reviewed unless the spouse can fulfil certain financial commitments. There is nothing in this legislation to stop that kind of situation occurring should a future government—or the current government in the future—try to implement a regulatory regime to put that in place. I realise these visas already have requirements which impose financial obligations upon sponsors, such as an assurance of support. What they do not have is a regulation which prevents review of applications, and that is something that can be extended to family visas by regulation.

Spouse visas are very hard to obtain and often have extraordinarily long processing times. They make up a significant number of the appeals, and I think it is not unforeseeable that the government would want to restrict the type of people who can successfully apply for family visas and who could have a review of a rejected application. I believe we have already in effect been virtually forced into accepting a two-pronged parent visa which provides better treatment for those who can afford it. I have no doubt the government is capable of extending this philosophy to other family related visas. It is not beyond the government to introduce regulations on sponsored visitor visas which would allow relatives to come to Australia but require them to pay a security bond to the de-
partment to guarantee that they will return by the appropriate date. Add this type of restriction to the current risk factor profile used by the government to prevent families visiting Australia and the impact could be profound on specific categories of visas.

It is worth noting that the bill inserts a new paragraph which provides that a decision to refuse to grant a visa is a Migration Review Tribunal reviewable decision if the noncitizen made the application in certain circumstances. The new paragraph limits the circumstances in which a decision to refuse to grant a certain visa or visas may be reviewed by the MRT. I know the MRT is under a lot of stress at the moment in terms of the number of cases before it, and I think that is an argument for improving resources to the MRT more than anything else. We as a nation are encouraging not just permanent migrants but exchanges of people from other countries or people to come here temporarily to explore business opportunities or to strengthen family links. We can only assume that will mean larger numbers of people coming to this country either permanently or temporarily. That is not something I have a problem with as long as it is done in a controlled and equitable fashion. That has a consequence which I believe has to be accepted as part and parcel of the positive that migration brings, that of providing people with the right to appeal what they believe is an unfair, unreasonable or unlawful decision. To try and continue to limit the circumstances in which people can have their visas reviewed by the MRT is a concern. Again, this bill does not directly limit MRT appeals but it provides a power for the government down the track to limit appeals via regulations for a certain class of visa under certain circumstances. That again is a concern.

As I said, it is a concern I could possibly have lived with if it were not for the subsequent appearance of a regulation deliberately drafted, and quite openly acknowledged as being deliberately drafted, by the government to combine a number of quite distinct components and changes in migration law and to intertwine them in a way so it is not possible to disallow one without disallowing the rest. This matter was brought up by Senator Ludwig at the committee hearing on Monday night into the other legislation I was talking about, the personal identifiers legislation. He specifically asked about this regulation, which is the one that has had some publicity and has got some publicity in the Australian today, I believe. It extends temporary protection visas to refugees who have arrived here lawfully. That regulation also does a couple of other things that are very positive, but extending temporary protection visas—at least in the Democrats‘ view, and I am pleased to hear in the Labor Party’s view—is something that is unacceptable.

Senator Ludwig asked whether or not that regulation did in fact make it difficult to separate a part or parts if you do not like those specific parts. It makes it difficult to separate the regulation into its constituent parts. He suggests it is almost a circumvention of the power that we might otherwise have and has created a position where it is very difficult to agree with the department that a disallowance motion is an effective means to deal with regulations that we may not have yet seen. Mr Walker, the departmental official, responded:

It is certainly a mechanism that was used in the regulations that you mention.

That is, the TPV regulation. He continued:

The circumstances relating to those regulations did cause a lot of effort to go into the drafting. That is code for saying, ‘We worked damn hard to make sure that we drafted it in such a way that you could not just disallow the TPV part.’ Senator Ludwig said:
I appreciate that. It is the mechanism I am interested in, in that it is one that you have obviously used. I do not think it is one that I have seen before ...

The departmental official said:
I think it is fair to say it has not been used before.

As Senator Ludwig said, it is effectively designed to prevent the Senate disallowing a part of it.

Suffice it to say that we have a regulation that was deliberately drafted—and this has basically been admitted by the government—to prevent the Senate from disallowing a particular component of it. According to Mr Walker from the department, it has not been done before. It obviously can be done and could have been done before, so I think it is fair to say that it is a new approach from this department to try and draft regulations in a way that makes it difficult, if not impossible, for the Senate to disallow component parts. If you have done that in relation to distinct areas to do with protection visas—distinct components of protection visa criteria—why won’t you potentially be doing it with sponsorship visas down the track? Whilst, as the official said, there are 80 different visa subclasses that are potentially affected by this legislation and it would be difficult to draft a regulation that could intertwine all those, it would not be difficult to draft a regulation that intertwined two or three different criteria, say, removing the appeal rights to the MRT along with reducing the financial burden and just having a provision that says that provision A does not come into force unless provision B also is in force and things along those lines. Once you have seen how it is done, it is not that difficult to do.

That precedent having been set, and quite openly and deliberately set as a way to try and hamper the Senate from disallowing parts that it does not like, I think we now have to take a different approach to bills like this and the personal identifiers bill. Frankly, now we cannot rely on the answer, ‘If you don’t like the regulation down the track, you can disallow it,’ because we may not be able to disallow it—or not without causing unintended consequences of our own. I cannot underestimate the significance of that. To quote from Hansard, in relation to any future legislation the department official said:

What may or may not be done in the drafting depends on the circumstances of the particular requirements.

And, as Senator Ludwig said, it is certainly open to the department to do future regulations in a similar way, using mechanisms similar to those in the regulation that I referred to.

With that precedent now having been set—and quite openly set without any apparent concern being expressed by the government in regard to it—I think we are in a new phase of how we deal with legislation that expects us to take on faith the ability to deal with future regulations. As I said at the start, there are components of this that I have some sympathy with. Providing a clearer ability to place sanctions on people who breach their undertakings is desirable, but we still need to ensure that those sanctions are not excessive—or that the requirements or undertakings are not excessive—and that avenues for appeal are appropriate and reasonable. It is because of the approach that I spoke about that has been taken in relation to regulations that I have an amendment to move in the committee stage. (Time expired)

**Senator KIRK (South Australia) (10.39 a.m.)—**I rise also to speak on the Migration Legislation Amendment (Sponsorship Measures) Bill 2003. Senator Sherry from the opposition, who spoke earlier, has outlined Labor’s position on this bill and I will not seek to repeat the comments that he has made. I intend to confine my comments on the bill to
the findings of the Senate Legal and Constitutional Legislation Committee, of which I am a participating member who participated in the hearings on this bill.

As Senator Bartlett has outlined, one of the difficulties with this legislation is the heavy reliance on future regulations to spell out the detail. This is certainly something that the committee struggled with and it is something that the committee made a number of recommendations in relation to. During my remarks today I hope to outline exactly what those concerns were. In fact, at the conclusion of the committee process, the committee stated, as part of its conclusion, that:

... the proposed broad amendments do not establish a scheme that is transparent. In fact, the Committee’s task of scrutinising this Bill has been made more difficult by the lack of detail or information as to the ambit of proposed regulations.

That was the crux of the committee’s concerns: the absence of regulations that we could scrutinise made it very difficult for us to understand just how it is that this legislation proposes to operate.

The committee also noted our concern about the possibility for the provisions in the bill to be extended at some future time to other visa classes in the family stream. Of course, this is something that could indeed occur simply by future regulations being enacted. So again, the possibility that the bill may be extended by future regulation down the track concerned the committee. In fact, one of our key recommendations concerned how this would be dealt with in the future. Recommendation 2 of the committee’s report states:

Because of the broad regulatory framework established by this Bill, the Committee recommends that the Senate ensure that future regulations made under these provisions are scrutinised most carefully, in order to ensure that more onerous sponsorship obligations are not imposed without adequate justification and consultation, particularly in relation to family stream visitors, and that appropriate decisions are prescribed as reviewable by the Migration Review Tribunal.

One of the committee’s greatest concerns was the possibility that under this legislation sponsors would be held liable for potentially unlimited costs relating to locating, detaining and sponsoring a sponsored person, if in fact their visa conditions were breached. A number of those who made submissions to the committee and appeared before us emphasised this as being a matter of concern. A number of the questions that came from committee members sought to flesh out the difficulties that could arise in this context. The submission of the Refugee and Immigration Legal Centre argued that a sponsor would be required to ‘pay to the Commonwealth the costs of locating, detailing and removing from Australia a visa holder sponsored by the sponsor’. While there was no argument with the requirement for sponsors to take some financial responsibility for their employees under a sponsored visa class, we thought the new provisions could impose unreasonable financial burdens on employers, making sponsorship of business and professional development applicants an unattractive proposition. We thought that this was a matter of concern.

In the case of family relationships, it would also cause undue stress on the immediate and extended family of anyone violating the terms of their visa. Again, a number of those who made submissions to the committee emphasised this point. For example, the Refugee and Immigration Legal Centre argued in their submission that ‘it would enable the government to hold private individuals and organisations liable for unlimited costs which are beyond their capacity to meet or constrain’. In particular, they expressed a concern that such undertakings
would impose extraordinarily undesirable and indeed inappropriate dimensions on family and employment relationships which could quite unavoidably compromise or endanger those very relationships.

While it must be noted that the bill does not provide for measures that could be applied to sponsorship for persons seeking to be permanent residents, such as spouses, parents and others under the family reunion scheme, this concern is highly relevant to employment arrangements. The committee considered that the costs of locating and detaining a person might include, for example, police costs of investigating and searching for a person, perhaps even on a national scale, as well as detention, which of course, as we know, could be very considerable. The committee’s recommendation in relation to this, recommendation 1, said:

The Committee recommends that either a Regulatory Impact Statement should be prepared before proposed section 140H is agreed to, or the section should be amended to provide that costs for locating and detaining a sponsored person are specifically excluded from the ambit of regulations that may be made under that section.

The committee’s concern was to ensure that costs do not blow out and, if necessary, that these costs be matters that are excluded from the regulations that will be made under this act.

Another aspect of concern raised by witnesses who appeared before the committee and made submissions to it was the issue of whether decisions regarding applications for sponsored visas would be reviewable by the Migration Review Tribunal. A number of those who made submissions to us emphasised that the removal of merits review could have serious consequences for individuals holding these sponsored visas. It was the opinion of a number of persons who came before the committee that this was an extremely blunt tool to use for the apparent purpose of preventing abuse of the system by some subclass 457 visa applicants. The view was that there has to be a better way to minimise abuse if in fact such abuse is occurring.

The committee was also concerned about an apparent loophole that allows those who do not meet the criteria of the visa to submit an application and, when the application is rejected on the grounds that it does not meet the criteria, request a review by the Migration Review Tribunal. In practice, this means an extension of whatever visa the person holds—the class of visa held at the particular time—until the MRT has the opportunity to review the application. This occurs not infrequently. A departmental representative who appeared before the committee told us that this was a ‘substantial problem’ in the case of subclass 457 visas. Of 35,000-40,000 applications, around 1,000 were submitted without an employing sponsor. However, it was revealed that this problem has already been addressed by previous regulations. But this was something that the department did not raise during the public hearing or in its subsequent submission to the committee. Once again, the concern of the members of the committee about the integrity of the migration system and the transparency of its decision making and legislative processes is not in any way eased by findings such as this, which do not reflect at all well on the department.

In considering submissions before the committee inquiry, and in questioning the witnesses who appeared before the committee, there were also a number of other concerns raised relating in particular to the potential impact on sponsored persons who are subject to domestic violence and abuse, either by a sponsor or an employer sponsor. Relationship breakdowns between visa holders and sponsors are not uncommon. Some witnesses before the committee gave evi-
idence of how putting more onerous sponsorship obligations onto both parties could lead to a greater incidence of violence or intimidation of sponsored workers. Ms Jennifer Burn, a lecturer in the Faculty of Law at the University of Technology, Sydney, submitted to the committee:

... in the context of a relationship breakdown where there are Australian citizen children of the relationship and where there is domestic violence in the relationship, the Australian sponsor has withdrawn their sponsorship and the visa is refused that would not be reviewable.

The response of DIMIA was to refer the committee to special provisions relating to domestic violence in division 1.5 of the Migration Regulations 1994. However, the domestic violence provisions already in place under the Migration Act to which the department referred only cover permanent visa holders, so this means that those on temporary visas will be left with no recourse to the Migration Review Tribunal if their sponsorship arrangements break down due to domestic violence. This is not a satisfactory situation.

Other submissions to the committee were more broadly concerned with violence in sponsored relationships. For example, Ms Priscilla Jamieson—course coordinator, solicitor and migration agent for the Refugee and Immigration Legal Centre—submitted to the committee:

People have been hustled off to airports at 4 a.m. to get them out of the country before they can complain about the appalling conditions and the physical abuse they have suffered as employees. If exploitative employers were also to be responsible for compliance costs and so on or any further visa applications, there would be the possibility of irreparable harm being caused.

Such conditions would certainly be very negative for those persons who are already in powerless positions in the employer-employee relationship. Recent interest in the cases of sex workers in Australia has revealed that many women victims of sexual servitude in Australia do enter the country legally—conceivably with sponsorship—and then engage in or are forced to engage in work such as prostitution that is not permissible under their visa conditions. Because of the precarious nature of their position, more stringent sponsorship conditions would conceivably put such women in sexual servitude in an immeasurably more difficult situation. The already disturbing record of this government on human rights issues does not bode well for the treatment of non-citizens in such a precarious situation. The government’s undue emphasis on immigration law in the cases of women engaged in the sex industry has meant that, three years after the enactment of the Criminal Code Amendment (Slavery and Sexual Servitude) Act, no cases have been prosecuted.

On the issue of cancellation and barring of sponsors for temporary classes of visas under sections 140L, 140J and 140K, the committee noted again that the lack of detail provided in the bill and the heavy reliance on future regulations to give further information about how this would work made it very difficult for the committee to properly scrutinise this issue. This is the issue that Senator Bartlett was emphasising. The absence of detail in this legislation made it very difficult for the committee to form sound conclusions as to how the legislation will operate in practice.

This concern about the lack of detail also extends to the proposed section 140V regarding the minister’s ability to disclose personal information of a visa holder or former visa holder to an approved sponsor in prescribed circumstances. At the end of the committee process, Labor senators, including my colleagues Senator the Hon. Nick Bolkus and Senator Joseph Ludwig and I, agreed with the two recommendations put forward by the
committee—that is, for a regulatory impact statement and for careful scrutiny of future regulations made under these provisions. Labor senators further agreed with the concerns raised in the submissions, particularly those relating to the applicability of the proposed regime to sponsorship for family visitor visas, the ability of the Migration Review Tribunal to review decisions on visas and sponsors, the impact of further sponsorship obligations in the context of violence and abuse, the breadth of possible sponsorship undertakings and mandatory cancellation of sponsors. With these reservations, Labor will support the passage of this bill. However, we will monitor carefully whether the spirit of the bill and these concerns raised by the committee are reflected in future regulations. We would also reiterate that the sanctions regime against employers as outlined in this bill is not anywhere near as rigorous or as tough as that being proposed by Labor in its policy announced in 2002.

While this government refuses to get tough on employers for fear of losing their support in either financial or other terms, there will continue to be abuse of the migration system. Unscrupulous employers who fail to abide by the requirements to employ only lawful workers will also be putting at risk the lives and the health and wellbeing of these employees working illegally and, as we have seen in the examples outlined earlier by Senator Sherry, the consequences can be horrendous.

With 60,000 people here illegally and 30,000 of these working illegally, this is the largest immigration challenge facing Australia but one that this government chooses to ignore. More than a quarter of these people have been here over 10 years so we are not talking about a problem that the government has not had a chance to properly address. The exploitation of workers under the subclass 456 business visa and the subclass 457 skilled visa seems to be a continuing problem, due mainly to the government’s inability or unwillingness to put adequate resources into monitoring the existing compliance requirements. In the end, it is Australian workers who are losing out, as well as those being exploited by these illegal scams.

In contrast to the lack of government policy in this area, Labor has a clear position on these matters. Labor has said that it will crack down on illegal workers by issuing a US style green card to non-citizens who have a visa which entitles them to work, by placing an obligation on employers to check green cards and by prosecuting and harshly penalising those who employ illegal workers. Labor will create an illegal workers roundtable involving the federal government, state governments, employer representatives, including small business and farmers, and unions to design and implement the green card system and to run the national crackdown. Finally, we will create and resource an illegal workers strike force within the Department of Immigration, Multicultural and Indigenous Affairs. This would all be undertaken as part of Labor’s broader immigration policy to ensure that we return some integrity and fairness to the migration system, something that seems to have been lost under the present minister and this government.

Senator ELLISON (Western Australia—Minister for Justice and Customs) (10.57 a.m.)—in reply—I table a supplementary explanatory memorandum relating to the government amendment to be moved to the Migration Legislation Amendment (Sponsorship Measures) Bill 2003. The memorandum was circulated in the chamber on 9 September 2003. I also table a regulation impact statement relating to this bill.

I thank senators for their contributions to this debate on the bill. Perhaps it is timely to look briefly at what this bill does. It makes a
number of amendments to the Migration Act 1958 in relation to the sponsorship of Australian visa applicants. Sponsorship is an important element of the system for managing the entry and stay of persons in Australia. It plays a central role in protecting the Australian community from the costs and risks associated with the stay of non-citizens in Australia. This bill formalises the government’s longstanding policy that these costs should be borne by sponsors who bring persons to Australia rather than by the Australian community. This is particularly relevant in cases where sponsors gain a commercial advantage from the sponsorship arrangements. The bill establishes a comprehensive and transparent framework for migration regulations to deal with sponsorship requirements and standardises sponsorship arrangements as much as possible.

The framework proposed by the bill provides for regulations to be made depending on the type of visa, for sponsorship to be a criterion for a visa—that is, a criterion for both the visa application and the grant of a visa—and the process and criteria for the approval of sponsors and undertakings to be made by sponsors in respect of the costs and risks associated with the stay of sponsored persons. With respect to the last point, it is envisaged that the regulations will provide that one of the undertakings a sponsor might be required to give is to pay the costs incurred by the Commonwealth in locating, detaining and removing from Australia a sponsored person.

The bill also allows certain actions to be taken against sponsors of prescribed temporary visa holders if the sponsors breach their undertakings. These actions include the ability to cancel sponsorship or to impose bars on sponsors. These bars can prevent the sponsors from gaining further approvals as a sponsor and from sponsoring other persons under their existing approvals.

The bill gives the power to make regulations that differentiate between the approaches taken in different visa regimes. For example, it will allow us to differentiate between sponsors who sponsor professional development visa holders and those who sponsor long-stay temporary entry visa holders. The regulation making powers provided in the bill are not intended to affect sponsorship regulations made under any other provision of the act. The opt-in provision of the bill requires that different visa regimes and their accompanying sponsorship requirements will need to specifically come within the new framework before it will apply to them.

This is important because it will allow the existing regulations relating to sponsorship to be changed and implemented gradually, following appropriate consultations. It also means that any regulations that are made pursuant to the new powers will be subject to parliamentary scrutiny, and of course this is a very important point. Initially, regulations are proposed to be made to include the long-stay sponsored business visa, subclass 457, and the new professional development visa, subclass 470, under the new framework.

In addition, the bill seeks to prevent abuse of the merits review process by certain temporary visa applicants who are required to have a sponsor but who, at the time of applying for review, do not have a sponsor or have not attempted to obtain one. In these cases, the decision to refuse to grant the visa cannot ever be overturned by the tribunal because the requirement that the applicant be sponsored is simply not satisfied. This amendment will effectively close off a loophole that has led to visa applicants pursuing what are clearly claims without merit. In summary, the measures in the bill will ensure that the integrity of Australia’s migration and entry programs is not compromised.
Senator Bartlett referred to some concerns about temporary protection visas. I understand the Democrats have an amendment which will be dealt with at the committee stage, and perhaps the government’s remarks are best left until then. Senator Sherry mentioned two cases: one involving the death of a South African worker who was in Queensland under a 465 visa, which is for a short stay; and the other involving chefs from South Africa working in Australia under a 457 visa, which is for a long stay. In the case involving the chefs, a matter was taken to the New South Wales Industrial Relations Commission, but I think that action was then discontinued. There was a report on whether there was a breach involved in the matter, and I understand none was reported. Those cases indeed highlight the very point the government is making in relation to this bill: it is targeting this issue. The regulations that will flow from the bill will enhance the integrity of the migration system and, the government believes, will enhance the migration regime generally for Australia.

In summary, the amendments contained in the bill will enhance the effectiveness, integrity and fairness of the visa sponsorship scheme. If the bill as amended is not passed, the effectiveness of the visa sponsorship regime will be undermined. In particular, the onus will be on the Australian community to bear the risks and costs associated with the entry and stay of non-citizens in Australia. This is a very big issue and one of concern to all Australians. We have a generous immigration program, but one which needs the necessary checks and balances. This bill provides just that. I commend the bill to the Senate.

Question agreed to.
Bill read a second time.

In Committee
Bill—by leave—taken as a whole.

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (11.05 a.m.)—Before I move an amendment that has been circulated in my name I have one or two questions for the minister, which I think are germane to the bill. The minister would be aware that there is scope currently for members of parliament to sponsor visitor visa applications for temporary entrance. Is there anything in this bill—or does the bill empower any potential changes to future regulations—which would increase the likelihood of sanctions on members of parliament who sponsor visitor visas in the future?

Senator ELLISON (Western Australia—Minister for Justice and Customs) (11.06 a.m.)—No, that is not envisaged. I think that answers Senator Bartlett’s question.

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (11.06 a.m.)—Not quite, which again goes to the point I made in my speech to the second reading debate: it is not so much whether it is not envisaged; it is whether it provides a power—perhaps not under the benign regime of this government, but under a more ruthless regime of some future minister or government.

Senator Sherry—Sarcasm does not appear in the Hansard.

Senator BARTLETT—Sorry—for the benefit of Hansard readers—that was sarcasm. Does it empower any future minister to introduce regulations that would increase obligations or sanctions on MPs who sponsor visas?

Senator ELLISON (Western Australia—Minister for Justice and Customs) (11.07 a.m.)—It deals with sponsorship and, yes, it could give that power, but it is not envisaged that it would do so. So I suppose that answers Senator Bartlett’s question.

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (11.07 a.m.)—
(1) Schedule 1, page 3 (after line 9), after item 1, insert:

1A At the end of section 46

Add:

(5) Nothing contained in any regulations made in accordance with this Act shall prevent a person who:

(a) at the time of last entry to Australia was the holder of a visa that:
    (i) was granted in the person’s name; and
    (ii) was in effect; and
    (iii) was not counterfeit; and
    (iv) had not been altered by someone who did not have authority to do so; and
    (v) had not been obtained using a fraudulent document; and

(b) at the time of last entry to Australia held a validly issued passport in the applicant’s name; and

(c) has never been granted:
    (i) a subclass 785 (temporary protection) visa; or
    (ii) a subclass 451 Secondary Movements relocation (temporary protection) visa; or
    (iii) a subclass 451 Secondary Movements relocation (temporary) visa;

from making a valid application for a protection visa subclass 866, or any other visa which grants a person the permanent protection of a permanent visa or from meeting the criteria to be satisfied at the time of decision to grant a protection visa subclass 866, or any other visa which grants a person the permanent protection of a permanent visa.

The amendment specifically relates to the problem that now presents itself in the bill before us which in effect gives the government greater powers to put sanctions on people and to do a range of other things, including limiting appeals to the MRT. It affects a whole range of visas. Basically, we are being told that can be done in the future via regulations and that, if we do not like those future regulations, we can disallow them.

As I said in my speech on the second reading, we have another regulation that has appeared subsequent to that committee hearing. It has been written specifically and deliberately in a way that prevents the Senate from disallowing components that it dislikes without affecting parts that it does. To address that, I am moving this amendment. Whilst it is a roundabout way of addressing the problem, it really is the only avenue that the government has left open for the Senate to deal with it.

Given that this bill and, as I mentioned before, another bill that is in the pipeline both rely dramatically on the government putting in place regulations down the track, and the Senate having the obligation to then scrutinise them and disallow things that they might not like, the government may need to get used to this type of amendment. We can, of course, amend regulations through primary legislation—something we cannot do when regulations themselves are before the chamber. If the government is going to proceed with the practice of drafting and tabling regulations that are deliberately entangled in a way that prevents the Senate from disallowing specific items, then the only other option open to the Senate is to move amendments in primary legislation to specifically amend regulations or, in this case, to put something in the primary act that ensures a regulation cannot overrule that requirement in the primary act. This amendment basically puts something in the primary act which prevents any regulation from being drafted under a range of circumstances that would pro-
hibit people from applying for a permanent protection visa.

Part of the regulations that the government has just brought down has introduced a power that is currently in force where people who arrive in this country legally and apply for refugee status can apply only for a temporary visa. This amendment seeks to prohibit that aspect of those regulations from having any power. It retains the existing arrangement where people who arrive here legally—and that includes on temporary visas—can then apply for a permanent protection visa rather than be forced to apply for and be eligible for a temporary visa.

I will not go at great length into why temporary visas are unacceptable to the Democrats—and should be unacceptable to any civilised country—beyond saying they are clearly designed as a second-class form of protection. As the name says, they are a temporary form of protection: a form of protection that is not reliable, a form of protection that keeps families separated, a form of protection that prevents people from rebuilding their lives and a form of protection that keeps people in a state of uncertainty for, potentially, the rest of their lives. That is completely unacceptable. It was unacceptable to the Democrats when these visas were first introduced in 1999. Any attempt to extend them further, as has been attempted by this government, is also unacceptable to the Democrats.

On a couple of occasions this week some of us went out to the front of Parliament House to meet with hundreds of refugees who are directly affected by the punitive nature and inevitable suffering that temporary protection visas generate. Given that this legislation applies to people who will be sponsored to come here on temporary visas, it probably has extra relevance as those people and any people sponsored here on any of these visas—business visas or whatever—who are in a situation where they need to seek protection from persecution upon potential return to their own country would now, under this separate regulation, be prevented from getting a permanent visa. The clear intent of this amendment is to ensure that whatever is in these regulations, including the regulation recently gazetted, cannot prohibit people from applying for permanent protection visas should they feel the need to claim protection.

As I said, it is only necessary because of the new approach the government has taken to drafting migration legislations to deliberately impair the Senate’s ability to disallow aspects that it disapproves of. It is probably a particularly relevant approach to take, given that this bill and the future bill seek to require the Senate to take the government—and future governments, for that matter—on faith regarding what regulations it may put forward. If it continues to draft regulations in a way that entangles separate issues so as to prohibit the Senate from disallowing individual components, I would not see any other option but to proceed with an amendment such as this.

Senator SHERRY (Tasmania) (11.15 a.m.)—I want to briefly put on the record Labor’s approach to the amendment moved by Senator Bartlett, the Leader of the Australian Democrats. There have been almost two different debates occurring around this legislation to date. As I mentioned in the second reading debate, the bill deals somewhat inadequately—although we have yet to see the regulations—in attempting to provide a framework of greater vigilance surrounding visa class 457, with the exploitation and abuse of foreign workers in this country by some unscrupulous employers. As I mentioned, the abuses and breaches include the underpayment of wages, either below the award or below the agreed amounts; taxation
offences; excessive working hours; failure to provide superannuation; nonpayment of overtime, penalties or other agreed payments; provision of substandard accommodation; demand for excessive payment or bonds; breach of occupational health and safety standards; unfair dismissal and intimidation. The bill attempts to erect a greater security regulatory framework to minimise those sorts of abuses. I referred to two specific abuses, but we do know the department has recorded serious breaches by 24 sponsoring employers.

I would like to acknowledge the contribution by my colleague Senator Kirk. I know that my other colleagues here—Senator Buckland and Senator Hogg, given their background, Senator Cook, who is currently in the chair, and Senator Hutchins, who was present during the debate but then had to leave the chamber—are extremely concerned about some of the abuses occurring in this area. We do not want to see this sort of abuse taking place nor do we want to see Australian workers disadvantaged vis-a-vis the abuse of this visa class by some employers.

As I indicated, this is one of the few occasions when we have actually seen the National Party do anything effective other than be the doormat of the Liberal Party, that once mighty National Party now in rapid decline—I see Senator McGauran is here. I did not see him there. I was not going to be deliberately provocative. It is the lobbying by the NFF and the National Party in trying to nobble the government and the minister in restricting much tougher regulation of this visa class which is allowing in some cases exploitation of foreign workers, obviously cheaper labour vis-a-vis Australian labour. We know of the work of the National Party and the NFF—and the National Party’s so-called toughness on border security—but, when it comes to allowing these sorts of rip-offs to occur in the community, the National Party is right there gung-ho in tilting the playing field against the Australian workforce, anything to bash a worker. As I said, that is one of the few occasions I can recall in recent years when the National Party has actually managed to do something of some substance from its perspective.

Senator McGauran—We do a lot from our perspective.

Senator SHERRY—I will take that interjection.

Senator McGauran—And the people we represent, may I add.

Senator Hogg—in Collins Street!

Senator SHERRY—No. Be fair; Senator McGauran has moved from Collins Street. I do know that. He is in the sticks somewhere. Where are you now, Senator McGauran?

Senator McGauran—I’m loved right across the street!

Senator SHERRY—Except by Mr Kennett, the former Victorian Liberal Party Premier. But we will not go down that path. This is a serious issue. I am sorry I have been responding to these interjections from Senator McGauran, but I have been sorely provoked by Senator McGauran. This legislation is an attempt at least to improve the regulatory framework around visa class 457, business long stay visas, but we are concerned about the adequacy of it. I said in my opening comments at the committee stage that we have had almost two debates on two separate issues. The amendment moved by Senator Bartlett on behalf of the Australian Democrats goes to the issue of temporary protection visas. Of course, that is not the issue that we are dealing with in this legislation.

Labor will not be supporting the amendment moved by the Australian Democrats. And if we did, albeit not dealing with the issues in this legislation that we wish to see some improvement on, we know that the
amendment would be rejected in the House of Representatives and then the bill would be sent back with the amendment moved by Senator Bartlett removed from the legislation. Alternatively, the whole bill would be dropped, which would put at risk the attempts, albeit reasonably timid, to improve the regulatory framework of these business visas which in some cases have been abused. On this occasion, the Labor Party cannot support the amendment moved by Senator Bartlett on behalf of the Australian Democrats.

Senator ELLISON (Western Australia—Minister for Justice and Customs) (11.21 a.m.)—The government does not support the proposed amendment put forward by the Democrats. This amendment appears to be aimed at preventing the making of regulations which would preclude lawful arrivals from obtaining permanent protection visas in the first instance. Migration regulations made on 27 August this year, which commenced on the following day, broadened the coverage of temporary protection visa arrangements to all asylum seekers arriving in Australia, not just those who arrive unlawfully. On 9 September 2003, Senator Sherry gave notice of a motion to disallow those regulations. The government believes that that disallowance motion is the appropriate vehicle to pursue what appears to be the aim of this proposed amendment to the bill. Of course, Senator Bartlett’s amendment is a very much broader provision, but we believe that if you are of that view then that is not necessarily the appropriate way to pursue what you aim to achieve.

The practical effect of this proposed amendment appears to be that any person arriving lawfully in Australia is not subject to regulations specifying criteria for the grant of a permanent visa. This would include regulations specifying health and character requirements. The proposed amendment would appear to have this effect whether or not the person had made any protection claim. I think Minister Ruddock said it quite clearly when he said this is a package of measures, some of which were going to be beneficial and would be seen as a pull factor and some of which were clearly seen not to be beneficial. The reason they are put together as a package is that we want to make it very clear that we are dealing with it as a package and people ought not to see in these measures that we are unwinding our determination to manage our borders. Minister Ruddock made it very clear that to split the package by putting beneficial interests only in it would give a clear signal to the rest of the world that we are unwinding our border protection measures. Therefore, the government opposes this proposed amendment, which is broad in its approach and which we believe would have a deleterious effect for the reasons I have mentioned.

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (11.23 a.m.)—The Minister for Justice and Customs is partly right: this amendment is certainly aimed at preventing what the government is doing, which is stopping legal arrivals from getting permanent protection visas if they are valid refugees. I do not agree with his interpretation of the breadth of the amendment. It quite clearly simply talks about stopping regulations from preventing people making a valid application for a permanent protection visa. That is all it does. That is probably academic, in any case. To say this would be a matter more appropriately debated under Senator Sherry’s disallowance motion is incomplete because, as the minister then went on to say—and the minister he is representing, Minister Ruddock has also made quite clear—the regulation is a package of measures and it has been deliberately drafted in a way that prevents the Senate from disallowing one component of it. The government
may say, ‘We have done it this way because we want it as a package and it is all or nothing,’ but it is nonetheless the first time, according to the department’s own answer to the Senate committee earlier this week, that a regulation has been drafted in a way that prevents the Senate from dealing with individual items.

Obviously, if you put forward a package of measures in primary legislation, we can amend it as much as we like to take out bits that we think are inappropriate; we cannot do that to regulations, as the government well knows and I assume the Labor Party knows as well. When we debate this disallowance motion, whenever it is, we may all be arguing backwards and forwards about whether it is appropriate to extend protection visas. The view of the Democrats is very clear, consistent and has been on the record for many years on that. There are also components in that regulation that deal with an estimated 2,400 people currently prohibited from ever being able to gain permanent protection in this country, who are here on temporary visas but who will never be able to get permanent protection unless the minister exercises his discretion.

There has been a lot of comment about the minister’s discretion in recent times, and indeed a committee set up to inquire into it. In effect, one component of the regulation that has a disallowance before it actually prevents the minister from being able to use his discretion on those 2,400 people, at least in relation to them being able to apply for a permanent visa. So one component is that it slightly reduces the minister’s discretion in one area. That would also be disallowed. Potentially, I believe around 2,000 to 2,400 people who arrived here and obtained temporary protection visas before September 2001 would be prohibited from ever getting a permanent protection visa. A couple of hundred of those people were out the front of Parliament House this week highlighting the horrendous situation they are in whereby their visas have expired, they have applied for another one and have not got any answer yet. At least some of those people, if they are still deemed by the department to be refugees whenever the department gets around to assessing their claims—which, as the minister said this week, will be some time when they feel like it in the future—will still be stuck on temporary visas. I thought they made a pretty clear case about why temporary visas were horrendous. Disallowing that regulation in its entirety will condemn those people to be permanently on temporary visas unless they get sent back or the minister exercises his discretion. That is another component of that regulation and it is not able to be separated out, at least according to every single piece of advice I have had. According to the department itself, that is not able to be separated out from the component that seeks to expand temporary protection visas.

I can understand why the government oppose this amendment, although again I point out to the government that if they are going to persist with this practice of deliberately entangling different issues into one regulation and then saying it is a package, they will have to accept the Senate doing what it is rightly empowered to do, which is to use the legislative process here to amend those regulations through primary legislation. If they want to keep coming back and saying, ‘That is not what this legislation is about,’ I would say too bad; that is not what regulation making is supposed to be about, either. If they are going to keep doing that, then that is the only approach open to the Senate in trying to have the parliament operate in the way it is meant to operate.

I know the government is particularly keen to devalue and disempower the Senate—there is no secret about that. Governments both current and previous have been
grabbing more and more power for themselves and giving more and more power to the executive over the parliament in recent decades. The deliberate drafting of regulations to circumvent the Senate’s disallowance powers in this recent episode is an escalation of the executive’s grab for power at the expense of the parliament.

The Democrats certainly will not lie down and roll over and let that continue to happen. We will continue to use the constitutional and legal responsibility that we have to ensure proper scrutiny of legislative instruments, including regulations. Where we are forced to use debate around primary legislation to do that, then we will do that. We would prefer to do it through the normal traditional methods with secondary delegated legislation but, if we are forced to do it through amending primary legislation, we will do it and we will continue to do it.

I can put the government on notice about that now. I am not interested in responses that is not what this bill is about. This bill is about temporary arrivals. This bill is about providing the government with immense power to produce regulations down the track. If they are going to stuff around with the regulation making power now then I can indicate at the start that this will not be the first instance where we require to move amendments in primary legislation. I simply reinforce that, by forgoing this opportunity, the Senate will be, in effect, left with the blunt instrument of Senator Sherry’s disallowance. If successful, that will certainly assist in preventing the expansion of temporary protection visas to new legal arrivals but it will harm those couple of thousand people who are already on the TPV regime and prevent them from ever getting off it. I am not sure what the cliche is for ‘devil and the deep blue sea’ or ‘rock and a hard place’ or any of those sorts of ‘lesser of two evils’ decisions, but I would prefer to have a process where we could take the evil out and leave the good. Unfortunately, that opportunity seems to have been missed on this occasion.

Question put:

That the amendment (Senator Bartlett’s) be agreed to.

The Senate divided. [11.36 a.m.]

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

Ayes………… 10
Nees………… 43
Majority……… 33

AYES
Allison, L.F. * Bartlett, A.J.J.
Brown, B.J. Cherry, J.C.
Greig, B. Lees, M.H.
Murray, A.J.M. Nettle, K.
Ridgeway, A.D.

NOES
Barnett, G. Bishop, T.M.
Bolkus, N. Brandis, G.H.
Buckland, G. Calvert, P.H.
Campbell, G. Carr, K.J.
Chapman, H.G.P. Colbeck, R.
Collins, J.M.A. Cook, P.F.S.
Crossin, P.M. Denman, K.J.
Eggleston, A. Ellison, C.M.
Evans, C.V. Ferris, J.M.
Forshaw, M.G. Hogg, J.J.
Humphries, G. Hutchins, S.P.
Johnston, D. Kemp, C.R.
Kirk, L. Ludwig, J.W.
Mackay, S.M. Marshall, G.
Mason, B.J. McGauran, J.J.J.*
McLucas, J.E. Moore, C.
Murphy, S.M. Payne, M.A.
Santoro, S. Scullion, N.G.
Sherry, N.J. Stephens, U.
Tchen, T. Troeth, J.M.
Watson, J.O.W. Webber, R.
Wong, P.

* denotes teller

Question negatived.

Senator ELLISON (Western Australia—Minister for Justice and Customs) (11.40)
I move government amendment (1) on sheet QH210:

(1) Schedule 1, item 2, page 6 (after line 24), at the end of section 140I, add:

(4) If a person (the sponsor) makes an undertaking in relation to the costs of the Commonwealth in locating and detaining another person, the undertaking is not enforceable against the sponsor to the extent that the amount which the sponsor has undertaken to pay in relation to those costs exceeds a limit prescribed in the regulations, as in force when the undertaking is made.

This amendment proposes to insert a new subsection 140I(4). The purpose of this amendment is to limit a sponsor’s liability for the costs of location and detention of a person sponsored by the sponsor and for whom the sponsor has given an undertaking to pay such costs. In its present form, the bill amends the Migration Act 1958 to establish a comprehensive and transparent framework for the migration regulations in relation to sponsorship arrangements. As part of those arrangements, the bill will provide that sponsors may be required to give undertakings to pay any costs incurred by the Commonwealth in locating and detaining persons they have sponsored. As mentioned in its report tabled on 12 August 2003, the Senate Legal and Constitutional Legislation Committee expressed concern about such costs. The committee’s view is that, if the bill in its current form were enacted, a sponsor might become liable to pay the Commonwealth’s costs for location and detention of a noncitizen whom he or she has sponsored where such costs were potentially unlimited.

This amendment to the bill addresses such concerns with the insertion of the proposed new subsection 140I(4). The new subsection expressly provides that the enforceability of a sponsor’s undertaking to pay the costs to the Commonwealth in relation to the location and detention of a person whom that sponsor has sponsored must not exceed an amount or cap which is prescribed in the regulations. It is proposed that the regulations initially prescribe a cap of $10,000. As the new subsection (4) provides for the regulations to prescribe the cap, the amount of the cap can be changed from time to time, as circumstances require, by amendment to the regulations. This allows sufficient flexibility to adjust the amount when appropriate—for example, to take into account the benefits of inflation—without the need for another amendment to the act. The new subsection (4) makes it clear that the dollar amount of the cap applicable in the particular instance is the cap prescribed by the regulations at the time the sponsor made the undertaking. The amendment provides that the cap applies in respect of each person the person has sponsored and in respect of whom the sponsor has given the relevant undertaking.

In summary, the amendment to the bill will ensure that the liability of sponsors to pay the Commonwealth’s costs of locating and detaining a sponsored person will be limited to a specified amount. As I indicated earlier, this matter was raised in the Senate committee. I have tabled with the supplementary explanatory memorandum a regulatory impact statement which has in it coverage, in summary, of matters covered by the proposed regulations. This amendment enhances the bill somewhat further. I point out for the record that the deceased South African worker whom I mentioned, who was also mentioned by Senator Sherry, died in New South Wales, not in Queensland as I stated. I commend the amendment to the Senate.

Senator SHERRY (Tasmania) (11.43 a.m.)—The minister has outlined the intent of the amendment well. It is to provide some limit to the potential costs to employers. This was an issue examined by the Senate com-
mittee. The Labor Party supports this amendment.

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (11.43 a.m.)—The Democrats support this amendment. It highlights again the value of the Senate committee process in drawing out potential problems, with the scope in this legislation for open-ended costs. Costs for location, detention and deportation could go into tens, or possibly hundreds, of thousands of dollars. If someone were to meet with a severe accident, the medical costs could be great. This amendment certainly improves that situation, although it goes no way towards addressing the problem of the government having open-ended power with future regulations, particularly now they have indicated a willingness to draft the regulations in such a way as to disempower the Senate. Certainly, this amendment is a step forward and the Democrats support it.

Question agreed to.

Bill, as amended, agreed to.

Bill reported with amendments; report adopted.

Third Reading

Senator ELLISON (Western Australia—Minister for Justice and Customs) (11.46 a.m.)—I move:

That the committee does not insist on its amendments to which the House of Representatives has disagreed.

Senator JACINTA COLLINS (Victoria) (11.47 a.m.)—It will not surprise senators that the position of the Labor Party is that we insist on these amendments. There is quite a long history on this issue, and I think it would be helpful at this stage to go through some of it. The government proposes with the Workplace Relations Amendment (Fair Termination) Bill 2002 to exclude casual employees of less than 12 months regular and systemic service and those who do not have a reasonable expectation of continuing employment. The standard for exemption from unfair dismissals for employees engaged on a casual basis for a short period is that set by article 2.2(c) of the International Labour Organisation’s Termination of Employment Convention 1982. This convention has been ratified by Australia and is a schedule to the act. The general question, going right back to the critical principle, is what is reasonably regarded as a short period. The government seeks to argue that 12 months is a short period; the opposition’s preference ultimately would have been three months, the compromise six months; and the Democrats view was six months. But still the government seeks to insist on 12 months.

Before I go into some other aspects of the history, let us put this into an international context. It is interesting to note that in 1999 the OECD compared the standard of employment protection legislation in member states and ranked the standard from one to 26, with one being the least strict and 26 being the strictest. Australia ranked fourth—that is, at the least strict end of the scale—behind the US, the UK and New Zealand. We do not stand out as a paragon of employee rights, we fall at the other end of the scale, but this is apparently not good enough for the government. The rhetoric and the
scare campaign that is out there amongst employers on unfair termination is what is mounting this case. It is outrageous—given the many genuine issues of concern with the cuts and other proposals the government is canvassing—that the government claims that the opposition and the minor parties are running scare campaigns when this very government itself is prepared to develop the perception amongst employers that is damaging access to employment.

Let us reiterate that point for starters: Australia ranks fourth of 26, fourth being at the worst end of the scale. In that context it is quite clear that this bill is designed to make it easier for employers to sack casual workers. The government is intent on removing protection for workers, particularly casuals, against unfair treatment in the workplace. I remember that this was discussed in some earlier debates on unfair dismissal. Senator Len Harris brought to the attention of the Senate some of his views and experiences in relation to casual employment, and he agreed that the growing trend of casualisation in Australia and the uncertainty that is being provided to many ordinary Australian families as a consequence of this needs to be readdressed. If I recall the last occasion issues similar to this were debated in the Senate, the government was out there on its own. The position of the minor parties—the Greens, the Democrats and the Independents—and the Labor Party is that they all see this for what it is: a scare campaign in which the government seeks to maintain the support of small business by deluding them that this is a significant issue to them. I can recall several years ago that even COSBOA eventually said to us in a committee hearing: ‘We just want the government to get their act together. We just want something genuine here, and this is yet another one of these ingenuous stunts.’

Let us go back to some of the issues that Senator Harris raised. For many casuals, if their labour is simply not needed on a particular day or part of a day, they will join the ranks of the unemployed—depending on the current definition of ‘unemployed’. I suppose that if they have worked one hour in the week they are in reality counted as ‘employed’, but what that means for their lifestyle, their security and their dignity is a very different reality. This uncertain situation is compounded by no rights to paid leave, paid holidays and all sorts of other entitlements. For many casuals a holiday with their family, with a few extra dollars for the Christmas period, remains nothing but a very distant dream.

Despite the government’s agenda here, there have been movements in the other direction in other areas. This is perhaps what has been most concerning to the government. The unsatisfactory fact that casual workers have low pay and very few rights was the subject of recent groundbreaking cases in the Australian Industrial Relations Commission. I will revisit some of those that have been canvassed in this debate and other debates in the past, but before I do that I will go to my favourite one: parental leave. We finally extended parental leave to casuals working on a regular and systemic basis. On the one hand, the commission are able to say, ‘Casuals working on this basis should have access to parental leave,’ but, on the other hand, they are saying, ‘We’re going to limit, though, for 12 months their access to protection from unfair termination.’ It is, frankly, just unprincipled and rank.

We need to have some consistency in standards for casuals—some consistency and certainty for these people. In some areas they may not be eligible for the conditions of employment for part-timers and full-timers—there may even be some good, genuine arguments for why that might be, in respect of
some conditions—but, on this one, there is nothing. There is no principled basis for arguing that, on the one hand, we accept that casuals should have access to parental leave but, on the other hand, in relation to access to fair termination that they are different to full-time or part-time workers. It is just utterly inconsistent.

The independent umpire in the field is already telling us these things. Let us look at some of those points. Affidavits presented in the metals case of 2000 show that casuals were deprived of holidays, sick leave, family leave, income security and, as I have said before, dignity. The evidence showed that most casuals are entitled to a loading of 20 per cent but many receive wages lower or not much better than those of their permanent counterparts. This harsh situation largely reflects the reduced capacity of casuals to bargain for better pay and conditions. Most casuals are reliant on award and statutory rights for protection against exploitation.

The commission is starting, slowly, to respond to these things. The commission is tightening up award protections for casuals. It has raised the loading for casuals from 20 to 25 per cent, and it gave casuals the right to convert to permanent employment after six months. Whilst the commission was limited to workers in the metal and engineering industry, it is worth noting the reaction to the casuals decision by the Chief Executive of the Australian Industry Group, Mr Bob Herbert. Senator Murray and I have had a long history of hearing from Mr Herbert, but he is often one of my favourites to quote because he does often represent a balanced, genuine perspective of employers. On this occasion, Bob Herbert said:

There has been no adjustment to casual employment for 26 years. Certainly, there will be some murmurs among employers over the increased loading rates but, in reality, the AIRC ruling simply brings casuals to roughly the same pay and condition levels as their full-time colleagues.

It is similar to what I said about parental leave: the commission is reflecting that employers are more and more casualising their employment arrangements, and often this is unfair. Better conditions closer to those of their full-time and part-time counterparts are required not only to improve those conditions but also to prevent further casualisation.

Let us revisit the history of this particular matter. Late last year the full court of the Federal Court of Australia issued a decision that ruled invalid a regulation that prevented regular casual employees from mounting an unfair dismissal action until they had been with an employer for a year on a regular and systemic basis and had the expectation of continuing work. I think in the past the minister has indicated that he thought I had mischaracterised this decision, so let me be quite clear on what this decision said. In Harasz v. Tricon International Restaurants trading as KFC the Federal Court faced the question of whether the statutory discretion conferred on the government to prescribe an exemption from unfair dismissal protection for employees engaged on a casual basis for a short period meant that the commission could knock out casuals who had not put in 12 months regular service with an employer or who could not hold out an expectation of continuing employment.

Let us look at the decision. The full court was unanimous in holding that the prescribed regulation—namely, regulation 30B(3) of the Workplace Relations Regulations—did not conform with what the act allowed. In other words, the regulation unlawfully excluded various classes of casuals who were entitled by an act of parliament and the international precedents I have referred to—and that we are committed to—to the right to some measure of employment security. Labor be-
lies that, where there is an exception for casual employees for a short period, a short period is six months not 12 months. In fact, I think, apart from the government, the Senate is united in that view.

But back to the history: the government had broadened the exclusion to 12 months. Shortly thereafter Labor moved to disallow the government’s regulations. We did so on the basis—amongst the reasons I have raised earlier—that this arrangement would further promote the casualisation of the work force, which we certainly have seen since that time. I have to say that we have been proven correct in that assessment. The Democrats allowed the government’s regulations to stand on the important condition that the minister review the regulations after 12 months and the Democrats be given an opportunity to review empirical evidence of the operation of the exclusion after that period.

It is now more than 57 months since that occurred, and we are still waiting to see the evidence. I understand that this was an arrangement between the Democrats and the government over support to allow the regulation to stand, but I ask in this debate whether such a review has ever occurred. Do we understand how this is operating? Is it going to be the basis of our considerations now? I have some fairly strong suspicions that, no, that review never did occur. We have certainly never seen any public indication that it had. There was no indication in the last debate, if I recall correctly, that it had. So the government has dishonoured its agreement with the Democrats, if I am correct, and the review never occurred.

It is important to be clear about the impact of a 12-month exclusion. Australia is close to leading the world in the trend towards casualisation of the work force. According to the ABS, in 1982 there were 700,000 casual employees in Australia. By the turn of the millennium there were 2.1 million—from 700,000 up to 2.1 million. Casual employees now represent more than one-quarter of the labour force. Federal legislation should not provide an artificial incentive for employers to prolong the period in which a person is employed as a casual unnecessarily. Labor believes that the government’s 12-month exclusion has exactly that effect. If a casual employee has been working for six months and has every expectation that their employment will continue indefinitely, it is probable that the government’s 12-month exclusion in part influences the employer’s decision to maintain the employee’s casual status.

The government has denied the benefit of the exclusion to an employer where the substantial purpose of holding the employee as a casual is to avoid their obligations under the act. The opposition recognises that an employer may have legitimate reasons for employing a casual, but what is often missed, and is certainly never mentioned by this government, is that an employee has legitimate reasons for wanting security and stability in their employment. Labor notes that the government proposes to exclude employees engaged under a contract of employment for a specified period of time, but Labor is concerned that this exclusion does not impose any limit on the period of time or require that those periods be reasonable. Some of these issues we will probably address a bit later in the debate; I would like to give Senator Murray an opportunity to deal with his amendments before I raise some questions there. But Labor believes that the period of time should be less than 12 months because Labor believes that employers should not be given an incentive to avoid their obligations under unfair dismissal legislation by placing an employee on a fixed term contract where in reality their employment will be ongoing.  

(Time expired)
Senator MURRAY (Western Australia) (12.02 p.m.)—Senator Collins is quite right that this issue has been before the Senate for many years, including during Labor’s term of government. But the Workplace Relations Amendment (Fair Termination) Bill 2002 also has a long history too in that it was introduced in the House of Representatives in February 2002 and passed by the Senate with three Democrat and two Labor amendments in December 2002. The government brought it back to the House of Representatives in August 2003 and here we are in September 2003 dealing with the message, so there has not been that much of a sense of urgency from the government. Nevertheless, it is an issue which you need to deal with because of the certainty that both employees and employers need to have with respect to these fundamental issues.

Senator Collins outlined the 16 November 2001 Federal Court decision in Hamzy v. Tricon International Restaurants trading as KFC where they declared invalid the regulations which excluded certain classes of employees from unfair dismissal provisions, saying they went beyond the exclusions authorised by the act itself. It must be stressed that the exclusion is not a complete exclusion; it is a probationary period which is evident in the Commonwealth jurisdiction at 12 months and in the Queensland Labor jurisdiction at 12 months.

The aim of the Workplace Relations Amendment (Fair Termination) Bill 2002 was to confirm existing regulations by excluding casual employees with less than 12 months service from access to federal unfair termination remedies. After that period they would have access. This was amended by Labor to change the casual probationary period to six months, and the Democrats supported that amendment. The second aspect of the bill was to repeal the regulations denying defined types of employees access to federal unfair termination laws and to re-enact with minor changes those exclusions in the principal act. That was turning from a regulation into legislation the fundamentally same provisions, and that was passed by the Senate.

The third area was to retrospectively validate the operation of federal termination of employment regulations held by the Federal Court to be beyond the regulation-making powers available under the principal act. That too was passed by the Senate and allowed for continuity and consistency of approach to be catered for since 1996. The fourth area was to require applicants for relief under federal unfair termination laws to lodge a $50 filing fee. That fee has been imposed since 1996 by way of regulation. The filing fee will now be indexed to the CPI. That too was passed. I might add as we go through that list that the Industrial Registrar does in fact waive very large numbers of fee applications where impecuniousness is a reasonable cause. The fifth area which was not in the bill is to provide casuals with access to unlawful dismissal provisions—unlawful, not unfair dismissal provisions—for the first time. The Democrats moved an amendment to that effect and that was passed by the Senate.

The background to the existing situation is that in 1996 the Australian Democrats agreed to the Workplace Relations Act provisions to exclude casual employees with less than 12 months service from access to federal unfair termination remedies. As the Senate knows, the Senate and the government have accepted that the probationary period for permanent employees is now three months. The casual probationary periods in place since 1996 through regulation will be reinstated in the act if this bill finally passes today.

It is difficult to know the number of employees likely to be affected by these laws and, once again, I make a plea through the
minister on duty for the department to try and improve the data collection on where casuals are employed. It is very difficult to work out where they reside. My belief is they mostly fall under state jurisdictions, with the obvious exception of Victoria, but it is difficult to determine. So it is difficult to know how many employees are affected by these laws, but it is the minority of casuals.

If the bill is not passed, the government could theoretically face some difficulties, the most notable being that the current regulation for casuals has a sunset clause to 11 September next year. Most casuals, as I have said, still fall under state IR regimes, and the complicating factor since 1996 has been the rapid growth in casual employment and the need to attend to its consequences. The line is also now blurred as to what is a genuine casual, as opposed to someone who is essentially a permanent part-timer. Senator Collins quite rightly drew attention to the Democrats’ concern as to the way in which casualisation is progressing and whether the probationary period of 12 months was the right one any longer. Without sufficient data, we have moved to a view that the probationary period should be shortened.

In the recent Workplace Relations Amendment (Termination of Employment) Bill, we moved an amendment to reduce the probation time for casuals who are excluded from federal unfair dismissal protection from the present 12 months to six months. I am pleased that federal Labor has accepted the principle of a probationary period. That is not a principle which all Labor jurisdictions agree with. For instance, WA and Tasmania both have zero months—in other words, you can access unfair dismissal on day one. Frankly, that is an unrealistic and unreasonable approach. Every employee and employer should have a probationary period to go through, and the question is how long that should be. The Labor jurisdiction in New South Wales has arrived at a view that six months is appropriate. However, the Labor jurisdiction in Queensland arrived at the view that 12 months—the same as the Commonwealth—is appropriate. So, plainly, there is not a consistent view about these matters, but the Australian Democrats have come to the view that six months is probably a fairer way to go.

Change in the regulation of this area obviously can generate uncertainty for employers and employees and be a source of business aggravation, but we stress that there actually has not been change in this area over the last seven years. The change that we seek to introduce would be a change to the law on unlawful—not unfair—dismissal: that is, in terms of section 170CK(2) of the Workplace Relations Act, dismissal on the grounds of things like union membership, sexuality, race et cetera. Under the Workplace Relations Act, unlawful dismissal provisions cover the field. It was interesting to see in the termination of employment bill debate a great deal of resistance from Labor to covering the field provisions, yet this one, of course, is very much embraced by them—and we agree with that.

When you talk about covering the field, unlawful dismissal provisions in fact apply to both federal and state jurisdictions, but presently only for permanents. Casuals have been excluded from unlawful dismissal access ever since Labor first introduced a casual exemption into the termination of employment laws. So we are going to reverse a policy that Labor first introduced, but I am happy to recognise that federal Labor have reversed their position as well, because they supported that.

Senator Jacinta Collins—They had fair termination too.

Senator Murray—Well, you are doing the right thing now, and I recognise and ac-
knowledge that, so there is no issue from me. Excluding casuals from protection against unlawful dismissal does deny them recourse if they are dismissed because their employer discovers they are not a member of a union, have a sexual orientation which is not acceptable to their employer or are a member of a particular racial group, or on some other spurious grounds. The Democrats’ amendment for unlawful dismissal is one we will insist on. The message from the House of Representatives states that the government did not support the Labor or Democrat amendments, but does say that there was some merit in the Democrat amendments. As I mentioned to my Labor colleague recently, that put up a big signal to us that we could probably persuade them to our viewpoint.

The other issue I want to raise is an amendment we have circulated, on sheet 3082, to deal with casuals’ employment ceasing at the initiation of the employer. We have heard anecdotally, and there is not enough data for me to be firm about the numbers or the extent of it, that some employers—rogue employers, not the majority of employers—are terminating casuals’ employment prior to the unfair dismissal provision access locking in and then re-engaging them later, claiming that it is a new term of engagement. Whether that is happening on a minor or a major scale is irrelevant to me in that it is just an unacceptable practice. The amendment we have circulated says that, if a casual’s employment ceases at the initiation of the employer and that person is then re-engaged by the same employer within a three-month period, both the engagement periods count towards the total length of employment.

Where are we to date? The government have had discussions with us and our position is as follows: if the government accept our insistence on the Democrats’ amendments and if the government accept the continuity of employment amendment we will put, we would in turn be willing to support a position that essentially holds to the status quo in terms of the current probationary period for casuals. We say that, making it quite clear to both the government and the Labor Party that we have come to a view that six months probation is preferable.

However, we think that these advances in law on the unlawful dismissal side and on the continuity of employment side, coupled with the fact that the actual probationary period for casuals will not change, do mean that we could claim that this would be a valuable advance for casual employees. Minister, what I intend to do is propose an amendment to your motion. The amendment would recognise that we are insisting on Democrat amendments, but not the opposition amendments which are in the message. We would move our amendment on sheet No. 3082 as a motion to your motion, if that makes any sense.

Senator HUTCHINS (New South Wales) (12.15 p.m.)—The Workplace Relations Amendment (Fair Termination) Bill 2002 is another attempt by the government to undermine the job security and workplace rights of a large portion of the Australian workforce. Previously, this chamber was required to dispose of the government’s plans to scrap unfair dismissal laws for small business employees; now it is being asked to consider a bill that would put into the Workplace Relations Act express provisions for a further series of exemptions from unfair dismissal laws.

One of those proposed exemptions is to permanently exclude casual workers who have been employed by a single employer for less than 12 months. As it is currently structured, the act already makes provision for this exemption. Under section 170CC of the act, a casual employee engaged for a short period is not protected from unfair
dismissal. The phrase ‘a casual employee engaged for a short term period’ is taken from International Labour Organisation Convention (No. 158) Concerning Termination of Employment at the Initiative of the Employer, to which federal unfair dismissal laws owe their origin as an act of parliament under the external affairs power of the Constitution. Regulation 30B(3) gives effect to section 170CC by defining ‘short term’ as a period of casual employment of less than 12 months.

Regulation 30B(3) has a curious history. The Keating Labor government first introduced it in 1994 to define a short-term period of casual employment as being less than six months. In 1996 the current government altered that definition to increase from six to 12 months the required period of engagement. It was able to make this change by doing a deal with the Democrats in which the government promised to review the change after 12 months. Not surprisingly, the government has failed to follow through with this commitment to review the operation of the exemption.

Late last year the government was forced to reword regulation 30B(3) to overcome disallowance of the regulation by the Federal Court in Hamzy’s case. This revised regulation remains in force and thus operates to already exclude casual employees employed for less than 12 months from accessing federal unfair dismissal laws. The government’s aim then is to overcome the problems encountered in Hamzy’s case and to set in stone in the Workplace Relations Act the provisions of regulation 30B(3). This bill then will give unscrupulous employers a no-questions-asked free ticket to sack casual employees who have been engaged for less than a year. This is an exceptionally lengthy period of time for a casual employee to be without any real sort of job security. Labor’s longstanding position on this issue is that a short-term period, for the purposes of ILO convention 158, to which federal unfair dismissal laws owe their origin, should not be more than six months. This was the state of play when Labor left office federally in 1996, and is currently the state of play under the Industrial Relations Act in my home state of New South Wales.

The extension of this period to 12 months, in my view, has not only put Australia in breach of its international obligations under ILO convention 158, but operated to further accelerate the rapid casualisation of the Australian work force that is taking place. From 1984 to 1999 casual employment levels more than doubled, from 848,300 casual employees to 1,931,700—that is, an increase of 117 per cent. Over the same period permanent employment increased by just 19 per cent. As at August 2000 casual employees represented around 27 per cent of the work force. Between 1990 and 1999, 71.4 per cent of total employment growth was casual. Since 1996—the year the coalition was elected to federal office—an extra 276,400 Australians have joined the casual work force.

The growing casualisation of the Australian work force has seriously undermined the rights of many working Australians. The 27 per cent of working Australians who are employed as Casuals do not have automatic access to rights like sick leave, annual leave and employer contributions to superannuation. They suffer extremely low levels of job security, as their employment can be cancelled with just one hour’s notice. Casual employees also have less access to employer sponsored training courses. The tenuous nature of their employment also makes it difficult for casuals to establish a place in society, as they are generally unable to gain finance for assets like houses and cars. Generally speaking, casual employees receive lower remuneration for their hard work and are overrepresented in the lower echelons of the
labour market, working predominately in low-paid and low-skilled jobs. The basic contention that demand for casual employment is linked to a reduction in workers’ rights was recently supported by the full bench of the Australian Industrial Relations Commission in the metals casuals’ award case.

This year the Senate Community Affairs References Committee, of which I am chairman, conducted an inquiry into poverty and the working poor. Two of the terms of reference for the inquiry were: an examination of the social and economic impact of changes in the distribution of work, the level of remuneration from work and the impact of underemployment and unemployment; and the impact of changing industrial conditions on the availability, quality and reward for work. The committee visited various parts of the country to speak to hardworking Australians about how hard it is to make ends meet under this government. I heard from many Australians employed in casual work who struggle by with poor pay, low levels of job security and no leave entitlements.

There has been a great deal written on what has driven the trend towards casualisation in Australia over the past 20 years. At the most basic level, casualisation is driven by labour market supply and demand. On the one hand, there are a number of Australians who want casual work as they may be balancing work with other commitments like family or study. At the other end of the scale there will always be a demand for casual workers to perform work that may only be short term. For these reasons, there has been a long history in Australia of provisions in industrial awards making allowance for various kinds of casual work to be performed. When the federal commission introduced casual work in 1920 in Australian Timber Workers Union v. John Sharp & Sons, it was determined that some work, such as ship repair, was urgent and could not be attended to adequately by permanent employees.

Although there are a large number of Australians who prefer casual work, unsurprisingly, most Australians engaged as casual workers would prefer to have more secure and stable employment. An ACTU survey in 1999 found that 59 per cent of casuals would prefer permanent employment. Demand has well and truly outstripped willing supply. This has occurred in part due to the fact that institutional arrangements in place governing casual employment provide a strong incentive for employers to employ casual instead of permanent or full-time staff. Changes introduced by this government in the Workplace Relations Act 1996 have made it easier for employers to employ casuals instead of permanent staff by removing determinations governing levels of casual staff as an allowable matter to be included in an award.

In addition, the state of the law in relation to casual employment provides an incentive for employers to take on casuals instead of permanent staff. Many employers find that the 20 per cent loading paid to most casual employees is much cheaper than having to employ extra staff to cover leave periods and having to make superannuation contributions or pay overtime.

In relation to this bill before us, laws governing the termination of casual employees also drive demand. As I mentioned earlier, many unscrupulous employers will see this bill as giving them a blank cheque to sack casual staff willy-nilly. Many employers will see this bill as another incentive to employ casual staff. Not only do you not have to pay casual staff leave entitlements, superannuation or overtime, or provide training, but if they have been employed for less than a year they can be sacked at will.

This bill, if passed, will contribute significantly to the ongoing trend towards the in-
creased casualisation of the Australian labour force. It provides an extra incentive not to employ full-time permanent staff but to put on casuals. This, as I have mentioned earlier, ultimately leads to an overall decline in the employment conditions of Australian workers. It means that potentially this bill reaches much further than merely those in the work force already employed as casuals. It indirectly threatens the job stability of those employed on a permanent basis and in the long run will make it difficult for future job seekers to obtain permanent work.

As well as accelerating the rate of casualisation this bill will also further undermine the already limited rights of casual workers. This outcome would be contrary to the growing trend in the courts and in industrial tribunals that have in recent years begun to afford greater rights to casual workers. In 1996, it was determined in the decision in Reed v. Blue Line Cruises that casual workers can be characterised as either ‘true’ casuals, those whose employment conditions are typified by ‘informality, uncertainty and irregularity’, or ‘long-term’ casuals. Long-term casuals are those who may be employed as casuals yet in fact have quite stable and regular employment.

There are a number of casual workers who may be defined as long-term casuals. AWIRS data from 1995 found that the average job tenure of a casual worker is over three years. This suggests that most casuals have a relationship with their employer that is almost identical to that of a permanent employee. There is a growing recognition of the fact that a large number of casuals are merely employed as such to save costs to their employer, whereas in fact the nature of their employment relationship is one that is permanent and long term. Accordingly, courts and tribunals alike are becoming increasingly prepared to afford these long-term casuals rights akin to those of permanent employees.

Senator NETTLE (New South Wales) (12.26 p.m.)—The Australian Greens believe the chamber should be insisting on our amendments in relation to the Workplace Relations Amendment (Fair Termination) Bill 2002. We believe we should be doing this because now is a pertinent time when we need to be ensuring that the law provides protection for casual workers. That is because we are in a period of labour market reform where we are seeing more and more casualisation of the labour market. Indeed, part of that is a result of changes that this government is making to a range of different pieces of legislation that, as the previous speaker said, make it far easier and far more economically advantageous for employers to employ people on a casual basis without access to the sorts of entitlements that permanent employees are provided with.

In this structural change that is occurring in the labour market, casuals are at the forefront. As of August 2001, as other speakers have said, 2.2 million Australians were employed on a casual basis. The statistics show that between 1990 and 1999 the proportion of casual employees in the labour force increased from 19.4 per cent to 26.4 per cent. That is more than a quarter of the work force. The overwhelming proportion of new jobs created during that decade—that is, 71.4 per cent of those jobs—were in casual work. In addition, many employers are using these casual employees on a long-term basis. This is often in an attempt, as I said, to avoid the responsibilities that come with full-time employment. Statistics show that more than 66 per cent of casual employees worked regular hours and more than 50 per cent had been employed for more than one year.

It is important also to look at who these casual workers are. Perhaps in the past people have thought of casual workers as being those people who were mums who were working while the children were at school or
people who were looking for a little extra work or an opportunity to engage in the labour market while they were engaged in other activities—be they study, childrearing or carer responsibilities. That is increasingly less often the case in terms of the characteristics of the casual work force in this country.

There are hundreds and thousands of Australians who are trapped in a pattern of casual employment because that is simply all they are able to find. That is the only work that is available to them. Many of them are untrained and poorly skilled. They often include large numbers of migrants, young people and women. Some of these people are living on the margins of society where the loss of a job, which is what we are talking about in this legislation, is not just a setback but a catastrophe to their living environment, their situation, their capacity to pay rent rather than be homeless, their capacity to fund school activities for their children and their capacity to make sure that they and their children do not miss out on educational or social opportunities within our community.

Let us look at a common example: a single mother who does not have any particular qualifications and who works in a casual job. She is extremely vulnerable—she needs that job; she has few other options. She may not be able to meet unreasonable demands that are made of her in working longer shifts or working without adequate notice. Under the government’s industrial relations regime she would have little or no protection from being sacked without fair notice or reason.

We need to ensure in the industrial relations legislation that we are now debating in this chamber that we are providing protection for casuals. We need to ensure that right now. We have seen the massive casualisation of the Australian workforce. We continue to see it and we recognise that from this point on it will be a trend that will continue for many years while we have the sort of labour market reform that we are seeing under the Howard government. That makes it all the more pertinent. That makes the responsibility of the Senate to ensure that we have protection for casual workers all the more important right now, while we see this increasing casualisation occurring.

Casual employees already have limited access to a whole range of entitlements. So when we have legislation like the legislation before us, we need to ensure that casuals are protected. If we want to protect some of the most vulnerable people in our society who are working as casual workers because that is the only employment that they can get, we need to have a fair balance between employers and employees.

The Greens support employment relationships where each party has responsibilities and privileges, but we believe that the government is pushing too far in the interests of employers and that ordinary Australians are losing out. Of course, many employers do not act in this heavy-handed fashion; there are many employers who fully understand that the basis of success is a reciprocal and cooperative employment relationship. But we must not forget that laws should make the unethical minority of employers accountable and that, under the changes being proposed by the government, casual workers lose the right to stand up to employers who choose to act unfairly. The Australian Greens believe this is simply not good enough. We believe the chamber should insist on its amendments in relation to this bill.

Senator WONG (South Australia) (12.33 p.m.)—I rise to speak on the Workplace Relations Amendment (Fair Termination) Bill 2002 and to make some brief comments regarding the contribution of Senator Murray on behalf of the Australian Democrats. A
number of speakers who have gone before me have discussed the context in which this bill operates—that is, a context of increased casualisation. Certainly if you look at it from the point of view of a historical analysis, traditionally the Australian industrial relations system has tended to focus on benefiting full-time permanent workers. In saying that, I am not criticising the trade union movement, the Australian Industrial Relations Commission or Labor governments. I simply make the observation that that is fact if one looks at the history of the regulation of industrial relations in the country and, frankly, that was a logical decision given the make-up of the vast majority of the work force.

As many speakers before me have emphasised, the world has changed. I will not dwell for very long on the reasons why that has occurred. However, the increasing participation of women in the work force, the substantial employment growth in the services sector and a strong push by quite a number of employers to avoid regulation, by seeking to employ employees on precarious employment contracts, are among the reasons for the increasing casualisation of the Australian work force. It seems to me that unfair dismissal laws are one locus of the conflict between this move to casualisation, the increasing number of people who are employed under precarious employment conditions and the community desire that employees be treated reasonably and fairly.

As has been said, casual employees make up some 27 per cent of the labour force. The question I ask the Democrats and the government is this: how many of them are genuine casuals? In my experience many are called casuals simply because of the nature of the work they perform. Often such work is sporadic, although frequent, and required at short notice. During my time as a union official and as a lawyer, I have represented many persons in this category. For example, cleaners are very often employed in the private sector on casual employment contracts and may work for lengthy periods with such employers and never achieve permanent employment because of the nature of the work performed.

I emphasise that 30 years ago, or even 10 years ago, we could not have envisaged the sorts of numbers of casual employees that we now see in the Australian work force or the nature of the work they perform. We would not have expected that so many employees would be working in ways that enable an employer to call them casual and thereby avoid various wage costs, including sick leave and annual leave, and of course avoid the right of such workers to challenge their dismissal if that dismissal was unfair.

I say to the Australian Democrats that laws must take account of the reality of the working lives of Australians if they are to have real effect. I note that Senator Murray has said that the Australian Democrats will insist on extending the unlawful dismissal provisions to casuals—that is, dismissals which deal with the proscribed grounds. While I welcome the extension of this jurisdiction to casuals, I do make the point that excluding those persons within 12 months from the unfair dismissal jurisdiction will require casuals to undertake different procedural actions in order to access this remedy, with consequent cost implications.

I also want to make some comments regarding the new amendments that Senator Murray has moved today in relation to the bill, which go to continuity of employment. I think this is a well-intentioned amendment and I understand what Senator Murray intends for it to achieve—that is, to bring within the jurisdiction those employees in respect of whom an employer has tried to avoid unfair dismissal jurisdiction by termi-
nating them and then re-engaging them. What I say to Senator Murray is this: this looks good on paper but do not think that it will prevent employers who seek to from still engaging employees in ways that prevent them from accessing the unfair dismissal provisions. All you have done is to set a different set of hurdles. Employers who want to avoid the jurisdiction will still be able to do so.

The other point I want to make concerns Senator Murray’s comments regarding probationary periods. It seems to me there is a justification for probationary periods on the ground that an employer can test an employee’s suitability. There is a vast difference between that and casual employment on an ongoing basis, which is a way of life for many Australian workers. It is inappropriate to conflate the two concepts and, in doing so, the result can be, and it appears will be, that many Australian workers will suffer detriment. The Labor Party’s amendment of six months may be a blunt mechanism for trying to ensure the rights of casual workers, but it is a far more effective mechanism for ensuring fairness than the amendments before us. In my view, we should be insisting on the opposition amendments.

Finally, I want to comment briefly on the rejection of the House of Representatives of Senate amendments (1) and (5) which go to enabling the Industrial Relations Commission to vary an award to reduce the period of time a casual must serve before being able to access the termination of employment provisions and to enabling better rights in that respect to be inserted into a certified agreement. Given what we know regarding the casualisation of the Australian work force, ought we not empower the Australian Industrial Relations Commission to deal with the reality of workers’ lives in this way?

I think it is extremely disappointing that these amendments do not appear to be being insisted upon. They provide an opportunity to enable the Australian Industrial Relations Commission, on the basis of evidence before it, to provide appropriate protection for Australian workers rather than leaving such protection to the theoretical considerations of the Senate. I think it is also interesting that a government that trumpets enterprise bargaining and seeks to move away from centralised conditions is refusing an amendment which denies employers and employees the right to negotiate provisions that give unfair dismissal rights to ostensible casual workers. It seems to me that those amendments ought to have been insisted upon.

Senator JACINTA COLLINS (Victoria) (12.39 p.m.)—I suspect that, with the time now available, I will have the opportunity only to deal with a couple of aspects of the issues that I wanted to cover specifically relating to the amendments to the Workplace Relations Amendment (Fair Termination) Bill 2002. But before I go to that area I will revisit one of the issues that I raised in my opening remarks following Senator Murray’s reflection on some anecdotal data that is available here. I have not had an answer to this question—I can only assume, through lack of answer, that the review the government promised the Democrats has never been done.

Senator Ian Campbell—I will table it if you want me to.

Senator JACINTA COLLINS—I would like you to. I would find it very interesting. If we do not conclude this discussion now, by the time we come back on Monday the data might be very useful.

Senator Ian Campbell—It proves you wrong.

Senator JACINTA COLLINS—No, it does not prove me wrong because I did not
assert that you had not done it. I said that you had not answered my question.

Senator Ian Campbell interjecting—

The TEMPORARY CHAIRMAN (Senator Hutchins)—Order, Minister! Stop provoking the speaker.

Senator Jacinta Collins—I am very pleased that you have now answered my question. I suspect that Senator Murray thought it was up to the government to protect themselves on that point. But, if you are tabling that document, I thank you very much.

The final point that I want to make on principle—and something that I am sure Senator Murray will join with me on—relates to some of the more recent reports about what is happening to Victorian employees. It looks as if, finally, we can move towards a resolution for the Victorian employees that were referred to the federal jurisdiction by Jeff Kennett and that consistent standards of employment will be introduced into the federal jurisdiction for Victorian workers. I raise that principle because we have all been quite strong on it. The principle is that if you are going to accept that employees should have access to particular entitlements it should be done consistently. This is my biggest problem with what has been proposed, as Senator Murray outlined here. What we are really saying is that casuals should be protected by fair termination but they have to have a much longer probationary period.

I have not heard anywhere the case justifying a difference between a regular and systemic casual and a part-timer and a full-timer in what is the necessary relevant probationary period. I do not know if that argument has actually been addressed, Senator Murray. I am not aware of it. Whilst I was not acting in this role for about 18 months, it may have occurred, but I certainly have not heard it.

That is the issue of principle. Unless by some principle you can argue that these workers should not have access to an entitlement, and unless you can use some principle to rationalise why that should be the case, then they should have access to protection of fair termination on the same basis as any other employee in the federal jurisdiction. Senator Murray has already indicated that he agrees with us that six months is a far more reasonable level. He has already noted that there is a fair degree of inconsistency right across this field which he sought to address in the—


Senator Jacinta Collins—The Workplace Relations Amendment (Termination of Employment) Bill, that’s right. Thank you, Senator Murray. I think that is a critical issue for us. If we are going to be working towards a unitary federal industrial relations system, then consistency needs to be the principle. I think that this is where this arrangement is erring significantly.

There are some other concerns which I have that I will flag briefly, as I suspect that we will run out of time. In relation to unlawful termination, we supported the Democrat amendments, but on that occasion not in the absence of access at six months to unfair termination protection. Now that we are looking at a scenario whereby casuals would only have access to unlawful termination for up to 12 months, I think it is relevant for the chamber to consider the issue that Senator Murray raised in the press today about what the real value of these provisions is for casuals. In one sense, Senator Murray argued that they were valuable but, in another sense, he acknowledged that there is not a very high level of litigation in this area and it is possibly hard to judge. But I want to share with
the chamber some experience from the sector about what is really involved here.

The TEMPORARY CHAIRMAN (Senator Hutchins)—Order! It being 12.45 p.m., I shall report progress but, before I do that, I understand Senator Campbell wishes to table a document.

Senator Ian Campbell—Yes. I table a report by the Department of Employment, Workplace Relations and Small Business. Progress reported.

VOCATIONAL EDUCATION AND TRAINING FUNDING AMENDMENT BILL 2003
Second Reading
Debate resumed from 10 September, on motion by Senator Abetz:
That this bill be now read a second time.

Senator CARR (Victoria) (12.45 p.m.)—by leave—Mr Acting Deputy President, I seek clarification on the status of this bill. If the bill is to be treated as a noncontroversial bill then we need to have that clarified. There is a second reading amendment. There has always been a second reading amendment, which I understand is controversial—that is, the government wishes to vote on it. I would like to know whether this bill is still regarded as noncontroversial. If it is, I am happy to proceed. If it is not, it should not proceed at this time. I ask for clarification on that matter.

Senator IAN MACDONALD (Queensland)—by leave—As I understand my instructions, the government does not agree with the second reading amendment but, because we want to get this bill through, it has been listed as noncontroversial. We are prepared to allow the amendment to be put in as noncontroversial. We will vote against it but will not call a division. Do I understand that the Democrats and the Greens will support the second reading amendment? We think so. It is not my amendment of course; it is Senator Carr’s, so I assume that he knows who is going to support it.

Senator CARR (Victoria) (12.47 p.m.)—by leave—Minister, it is my understanding that the matters you refer to are correct. The Democrats and the Greens are able to speak for themselves, but I have been advised that that is the information that has been provided to our whip’s clerk.

The ACTING DEPUTY PRESIDENT (Senator Hutchins)—I call Senator Carr.

Senator CARR (Victoria) (12.47 p.m.)—I rise to speak in the second reading debate on the Vocational Education and Training Funding Amendment Bill 2003. The purpose of the bill is to provide for indexation of Commonwealth funds to the states and territories for vocational education and training pursuant to the current ANTA agreement. The bill would also appropriate funds for 2004 in line with the Commonwealth’s proposal for the next ANTA agreement covering the period 2004-06. Yesterday I spoke to another bill relating to vocational education and training, the Australian National Training Authority Amendment Bill 2003, and I would like to continue the themes that I was developing in the debate. At this point, I formally move the second reading amendment that has been circulated in my name:

At the end of the motion, add:
“...the Senate condemns the Government for:
(a) its neglect of vocational education and training since it came to office in 1996; and
(b) making misleading statements about the future funding levels for the new Australian National Training Authority (ANTA) agreement; and..."
calls on the Government to amend the Bill to provide appropriate funding levels for the new ANTA agreement, and provide funds for 20,000 additional TAFE places.”

It is a surprise to me that these two bills were not debated in a cognate form yesterday, but I presume that is a question for the government in the management of the program. I noted yesterday that the government is opposed to vocational education and training and that the VET sector has been characterised by delay, stagnation and neglect. This is not a carping or petty criticism. I believe it to be a major issue because the needs are urgent and pressing. Australia simply cannot afford to drag its feet. The world is changing too fast and we run the risk of being left behind in the global economy. Other countries are pouring funds into new policies to upskill their workforces. We must match them. Equally, we have to make a concerted effort to upgrade the productivity and the skills of each and every member of the labour force. We have to do this because of our changing demography.

Over the next 20 years or so, the ratio of working people to non-working people will fall from six to one, as it is today, to three to one—that is, half the current level. So, theoretically, to maintain our standard of living, every working person will need to increase their productivity quite dramatically. This will happen, in part, through improvements in technology. It would be facilitated if we were to have a serious national research strategy, which would provide for the necessary R&D within this country. It would also be accompanied by higher levels of skill, and particularly new skills, which, of course, the vocational and education system would be more than able to provide, if it were given the opportunity to do so. The government is admitting that lifting education and training skills is crucial to our collective future. Budget Paper No. 1 of 2003 states:

Investment in education and skills is critical to improving productivity and participation levels throughout the economy.

It goes on to say:

Improving education and training outcomes can increase productivity directly by increasing the skills and abilities of individual workers and indirectly by raising the flexibility of workplace teams. It also allows more rapid utilisation and transmission of new skills and production technologies, having a dynamic effect in increasing productivity.

The paper goes on to make a few other points about the implications of an ageing workforce, a proposition which I think has particular merit. It states:

An ageing population, with an older labour force, will need to engage increasingly in lifelong learning to improve labour force participation choices. The education and training system will need to be flexible and responsive enough to adapt to changes in the ages of its key clients, as well as to continual change in the skills required as the economy evolves.

So despite these admissions, the government has failed our national vocational education sector. None of the necessary changes will happen unless an agenda for a national training reform is pursued. Such an agenda has to be led and driven, in my judgment, by the Commonwealth, working in partnership with the states but with the Commonwealth playing a critically important role. It is unfortunate that we have the misfortune to have a Commonwealth government that is apparently, under the present minister, not prepared to show the necessary leadership in that regard.

In 2002 the Senate produced a landmark report on the future of our national vocational education system entitled Aspiring to excellence. Some people, including some senators here, regarded this title as a little bit
too grandiose; too grand for the subject, too grand for blue-collar workers and too grand for technical workers. It is obviously not a sentiment that I share. I argued then, as I argue now, that excellence is precisely what we need in our skilled work force and what we should be striving for. A failure to appreciate this fact has been endemic in this government’s policy approach and the disastrous coalition government policy of growth through efficiencies, set in place since 1997, which saw a significant cut to the system and seriously undermined the quality of the system as a whole. Since then we have seen modest funding for growth, and it was not restored until the stand-off between the states in the lead-up to the 2001 federal election, when the Howard government sought to buy votes by attempting to appear generous to TAFE colleges. However, the government, under Minister Kemp and now Minister Nelson, has lacked the political will to implement the agenda envisaged in the report Aspiring to excellence. It has not responded to the debates that raged throughout that period, and the concerns that continue to be expressed demonstrate to me a fundamental lack of vision and a lack of action.

If we compare that with the higher education sector, the contrast could not be more stark. The neglect of the TAFE system can be seen sharply in contrast with the government’s obsession with the draconian, radical reforms in higher education. My colleagues Jenny Macklin and Anthony Albanese have had a good deal to say about these matters in the other chamber, and I do not want to detract from that in any way. I point out, however, that it is no accident that this conservative government’s obsession with making higher education more expensive and less accessible for ordinary working families means, in many respects, that those who participate in the TAFE sector, and the vocational education sector as a whole, have been disadvantaged. The government has an obsession with an elitist concept of education: an obsession with pouring additional money into wealthy private schools, which are often patronised by extremely wealthy people, at the great expense of the public education system. That has been followed through with its approach to the more exclusive end of the university spectrum, the ‘great eight’. We see this approach in the TAFE system, with the exclusion of many people amongst the 1.8 million Australians who participate in that system—13 per cent of the work force. There has been a neglect by the government to address the concerns of the vocational education system.

It is quite clear to me that we have a number of people in this country who do value the importance of the vocational education system. They are prepared to work hard in ensuring that the TAFE system is productive and that it keeps its critical role in our national economy. It is unfortunate that the government does not seem to share that particular vision. In this bill we see that there are no new funds being provided for the system. There are a few additional dollars overall, essentially in matters that have already been canvassed in the forward estimates in previous years. The bill provides for indexation—we understand that—but under terms and conditions that seriously disadvantage the TAFE system.

The indexation arrangement for schools—and I made a point similar to this yesterday—is running at the moment at 5.6 per cent. We see for universities an obviously inadequate amount of 2.2 per cent and in the vocational education system I think the figure stands at about 1.6 per cent. That is essentially what we are being told through the Senate estimates process. The additional funds from the base figure of $957 million for 2003 provide for an additional funding arrangement of $22 million. There is no way
in the world you could seriously argue that this is effective compensation for the increases in the costs that are being experienced by people who are required to participate in the vocational education system.

The average age of full-time TAFE teachers is well over 50. I am told that in Western Australia the average age is now 56. At a time when we need to rebuild and reinvigorate our teaching work force, we simply cannot allow the system to be run down in this way. I think there is a crisis approaching within the TAFE teaching work force, and it seems to me that this government has failed to turn its attention to that issue. I think there is a crisis approaching within the TAFE teaching work force, and it seems to me that this government has failed to turn its attention to that issue. It is striking that the government’s indexation of funds is basically calculated on a cocktail of factors and was essentially set by the Treasury. It is not subject to public debate, but it ought be. When the universities argue their case in regard to indexation they are given considerable attention despite the fact that the government will not acknowledge the claims being made, but the VET sector does not get any share of the public debate on these issues. I think that ought to change.

What I see in this bill is that the government has not provided the necessary resources to allow that agenda to go forward at a time when the system seems to me to be developing serious indications of decay. The VET in Schools program has been working since 1996, and I acknowledge that the government introduced this particular program under the former minister, Dr Kemp. It was initially funded at $20 million per annum. It is a very good initiative. The annual funding from the Commonwealth is now $51 million, despite the fact that the growth in the system has been astronomical—three in four year 11 and 12 students ought be undertaking VET in School subjects next year, if the department’s estimates are right in that regard. You have a situation here where a program has been introduced but has suffered serious defects from the very beginning, particularly around issues of quality. I do not believe that has been seriously attended to in the eight or so years that this program has been running.

I recall that a review of the program was undertaken in 2000 by the Allen Consulting Group. They demonstrated in their report that there were fundamental difficulties in the core issues about the purpose of the program and the quality assurance regime. Those issues still remain central to this debate but are not attended to in the current government policy framework. The Australian national training framework has failed to take into account just how critical this issue is in regard to the VET in Schools program. Some 250,000 students are now enrolled in this course. We simply cannot allow this situation to continue. I think we have to look at the arrangements in regard to costings, which are at the core of these quality problems. I note in the recent review, indicated by the cost of VET in Schools, that these questions are starting to come to the fore within the system as a whole.

The previous review from the Allen Consulting Group in 2000 was flawed in the sense that, while the group identified the key problems, it failed to consult widely about the solutions to those. During the review, parents, teachers, employers and unions were not spoken to about the difficulties. The current report from the consultancy let by DEST on the cost of VET in Schools still remains a long way short on any reasonable arrangements in terms of the total cost of running the program. The report is, again, based on a relatively small sample of schools—some 48. It is not clear how representative those schools are. The financial information they have provided seems to me to be somewhat limited and raises serious questions about whether or not an effective review has actually been undertaken.
We see in the report that the set-up costs for the VET in Schools program can vary considerably from school to school, ranging from $137,779 to $860,000 per school. The two alternative funding estimates provided in this report seem to be based on different conclusions. One is based on a 38-hour teaching week and the other on a 32-hour teaching week—a model which always seems to give the lowest hourly running cost within any of the estimates that were made. The 38-hour model, of course, applies in Victoria and the 32-hour model is the average throughout the rest of the system. Notwithstanding this, the 38-hour model has been designated as the national model, despite the fact that it is built upon the practice of only one state.

It seems to me an example yet again of the way in which the cost estimate is always driven down to the lowest common denominator and may not measure anything other than what is occurring in a very small minority of schools. I say this particularly in the context of the VET in Schools program in Victoria, which does not have the same take-up rate that it does in other states. The report states that the cost estimates take into account the outcomes achieved and the quality of VET in Schools delivery. But, in terms of the expenditure data, the measurements being taken into account have no relationship to the quality of the training outcomes. So it does strike me that we have another example of the government failing to pick up what is required in terms of Commonwealth leadership. It has tried to present to this parliament yet another report which does not deal with the key issues in regard to a program which is, I repeat, affecting three out of four students at the year 11 and 12 stages of school.

If you look at VET in Schools and the other major failure of policy at the moment—the national consistency for quality assurance—you will see a situation where the government’s priorities are falling short in its rhetoric and its practice. It seems to me that we have a situation where second-best approaches are going on for far too long. For that reason, while we will be supporting this bill, I have moved a second reading amendment which condemns the government for its neglect of the vocational education and training system since it came to office in 1996 and for making misleading statements about the future funding of the new Australian national training agreement. It calls on the government to amend the bills to provide appropriate funding levels for the new ANTA agreement and to provide funds for an additional 20,000 TAFE places. This, in my judgment, would move considerably towards meeting the unmet demand in this country at the moment for TAFE places and is, I might point out, Labor Party policy.

Senator IAN MACDONALD (Queensland—Minister for Fisheries, Forestry and Conservation) (1.05 p.m.)—In concluding this debate, I will mention for those who are following the debate and who, after hearing Senator Carr, are confused as to what the Vocational Education and Training Funding Amendment Bill 2003 is about, that the bill provides for the continuing operation and essential maintenance of the Australian government’s key instrument of support for the vocational education and training system in Australia. The bill will provide ongoing funding support for the states and territories, supplementing 2002 funding by some $24.4 million to provide for normal price movements as required by the ANTA agreement.

The bill will also provide $1.1 billion for vocational education and training in 2004. That, of course, will be provided by the states and territories. The Australian government is working collaboratively with the states and territories on developing a new forward looking agreement for 2004 to 2006. The bill will help ensure that funding continuity is maintained in the national vocational
education and training systems in 2004, after the 2001-03 agreement expires. This bill underpins the ongoing funding and development of the world-class vocational education and training sector that supports the competitiveness of our industries and Australia’s economic and social development.

A second reading amendment to the Vocational Education and Training Funding Amendment Bill 2003 has been moved. Without boring any listeners on the technicalities, it is rather an unusual approach to move an amendment to a bill being dealt with at this time of day. All parties have been consulted in relation to this particular piece of legislation and all parties have agreed that they support the bill; therefore, it was listed for debate at this time on a Thursday, which is the time for dealing with non-controversial legislation. That means that divisions will not be called and that senators can attend committee meetings and do other work that senators are always called upon to do. In contradiction of that convention, the Labor Party has moved a second reading amendment. It is an amendment that the government certainly does not agree with but, because we want to get this bill through, because it was listed to be dealt with today as non-controversial legislation and because senators are busy doing other things and will not be available to vote, we will not be calling for a division.

I am assured by Senator Carr that the Democrats and the Greens support his amendment, although their support, if it is such, is not very obvious. Senator Allison was listed to speak in this debate, but she is noticeable by her absence, having withdrawn her name from the speaking list. I will do an unusual thing in this instance—that is, accept that Senator Carr is being truthful when he says that the Democrats and the Greens would have supported his amendment—but it is all very irregular and it does call into question the arrangements that the whips and the government and opposition business managers in this chamber work so hard to deal with. Even though we will not be calling for a division, we do want to record that the government does not agree with the proposed second reading amendment. We oppose the amendment and reject the sentiments behind it, because record levels of funding have contributed to the government’s achievements in the vocational education and training sector.

Over the next four years, the Australian government will spend over $8.4 billion on vocational education and training, of which $5.04 billion will go to the vocational education and training sector and most will be for distribution to the states and territories through the Australian National Training Authority. Nearly $3 billion will go to employer incentives, New Apprenticeships support services and other New Apprenticeships costs of the Australian government; and $0.4 billion will go to other vocational education and training programs funded by the government. In 2003-04, the Australian government will provide a total of $2.1 billion for vocational education and training, including an estimated $1.167 billion to the states and territories and an estimated $682.4 million to support the New Apprenticeships arrangements, including employer incentives.

Senator Carr calls for greater funding through the ANTA agreement. I would point out to honourable senators that the additional funds offered by the Howard government to the states include quite a number of items. The offer includes funding of around $3.6 billion over the life of the new agreement, with indexation. Compared to 2003 funding, the offer provides an additional $220 million to the states and territories. Growth funding will be indexed over the period of the agreement and, with indexation, will total $325.5 million over the period of the new agreement. Compared to $230 million in the
current agreement, this reflects a $95 million increase, which is substantial in anyone’s language. There is also $119.5 million over three years for additional places in Australian government priority areas such as mature age workers and people with a disability. This is average real growth in recurrent funding of 2.5 per cent per annum, and the total increase in funding over three years is 12.5 per cent compared to total funding in the current 2001-03 agreement.

Senator Carr’s amendment calls for an additional 20,000 TAFE places. Senator Carr tells us that it is Labor Party policy. That is again an unusual statement. I was not aware that they had any policies, except the one that I heard Mr Crean giving at budget time: he was going to fix the Murray-Darling Basin by stopping droughts. That is a pretty good election policy to have, and I might almost vote for him myself if he can simply stop droughts. I know some in the Labor Party think he is a god-like figure; I know others do not. But how you have a policy to stop droughts is very interesting and intriguing. He did explain that by saying that he was going to sign the Kyoto agreement and that, by signing the Kyoto agreement, he would be able to stop droughts and fix the Murray-Darling Basin—a great policy. No wonder so many people on the Labor side want to get rid of Mr Crean when that is an element of his policy approach. Having said that and indicated our opposition to the second reading amendment moved by Senator Carr, I commend the bill to the Senate and thank the Democrats and the Greens—and, indeed, the Labor Party—for supporting the thrust of this important bill.

The ACTING DEPUTY PRESIDENT (Senator Hutchins)—I remind honourable senators that, under a sessional order agreed to on 20 June 2002, after the second reading of the Vocational Education and Training Funding Amendment Bill 2003 I shall call on the minister to move the third reading unless any senator requires that the bill be considered in the Committee of the Whole.

Senator CARR (Victoria) (1.14 p.m.)—by leave—I would like to make a very short statement. The minister at the table, the Minister for Fisheries, Forestry and Conservation, Senator Ian Macdonald, implied that the opposition had behaved in a dishonest way with the second reading amendment. I want to state explicitly that that is totally untrue. The opposition has always proposed that there be a second reading amendment. A second reading amendment was moved in the House of Representatives. Even a person with as limited command of this material as the minister at the table would have understood that if he had been properly advised. I would like to reiterate that we do not behave dishonestly in these matters. This is a position we have stated from the very beginning of this debate.

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.

Sitting suspended from 1.16 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 representing the Prime Minister and in his capacity as Minister for Defence and Minister representing the Minister for Foreign Affairs. Is the minister aware of the recommendations of the report into the Jenkins case undertaken by Tony Blunn for the Inspector-General of Intelligence and Security, and in particular the recommendation at paragraph 40 that departments and agencies must report major
security breaches to ASIO in accordance with the provisions of the Protective Security Manual? Has ONA reported the leak of the top-secret AUSTEO ONA document to ASIO and, if so, when?

Senator HILL—I do not remember that specific recommendation in Mr Blunn’s report, although I have read the report. Despite that, the core of the question really was in relation to the matter that ONA referred to the police and whether they also referred it to ASIO. I think the answer to that is yes, but I will have that checked during question time and, if I am wrong, I will let the honourable senator know.

Senator Faulkner—Mr President, I ask a supplementary question. I thank the minister for his answer. I ask the minister whether he could confirm that the Blunn report into the Jenkins case states at paragraph 90:

…the requirement to report [security breaches to ASIO] only makes sense if the intention is that it is done as soon as the decision has been made that the incident alleged or actual would constitute or is a serious security breach.

I would like to ask the minister in a general sense whether the recommendations of the Blunn report were comprehensively implemented in relation to the issue that I raised in my earlier question to the minister. If he is checking this matter, he could perhaps inform the Senate of the time when ASIO was informed of the Bolt security breach. Specifically, was it immediately after it was known by ONA and the Prime Minister’s office?

Senator HILL—I will include that in my inquiries.

National Security

Senator Fergusson (2.03 p.m.)—My question is to the Minister for Justice and Customs, Senator Ellison. On this the second anniversary of the terrorist attacks in the United States, can the minister outline what the government is doing to protect Australians from the threat of similar attacks? I also ask him to expand on the role Australia is playing internationally in the fight against terror.

Senator Ellison—This is a very good question and a timely one on the second anniversary of the attacks in New York and Washington on 11 September 2001. That was an event that has changed profoundly the world as we know it. On the morning of that day over 3,000 people were murdered, along with them 10 Australians. This was an attack on the free world as we know it. It was not just confined to the United States. It was not long before we saw a terrorist strike closer to home, on 12 October last year, with the Bali bombings.

As we have seen with the trials of those accused of the Bali attacks, these terrorists are driven by bigotry and blind hatred of an open and democratic society, which all Australians value. The war on terror will not be short and it will not be easy. It is therefore imperative that we form coalitions in order to strengthen our fight against terrorism not only internationally but also of course at home, and that involves Commonwealth, state and territory governments.

Senator Ferguson has asked: what is the government doing and what has it done in relation to the war against terror? Certainly, we have embarked upon expansive measures in the fight against terrorism not only in the expenditure of funding of billions of dollars but also in new counter-terrorism mechanisms and positions such as our National Counter-Terrorism Committee. The national counter-terrorism plan for the first time puts into place a revised national plan in relation to the threat that Australia faces. We have also got the Business Government Task Force and Critical Infrastructure, an impor-
tant partnership with industry to protect critical infrastructure in our society and, of course, in business. We have also got the Australian Federal Police Transnational Crime Coordination Centre, which brings in a combined fight in relation to those threats which can be posed not only by transnational crime but also by terrorism. We are seeing increasingly a partnership between transnational crime and terrorist groups. We also have the ADF Special Operations Command and, of course, the national joint counter-terrorism teams that have been formed.

As well as this, we have detailed and passed a comprehensive legislative response to terrorism. There is an upgraded definition of treason. There are new measures to deny terrorists the funds they rely on, with over 400 terrorist related individuals, entities and organisations being specifically listed. There are new offences dealing with hoax material and new powers for ASIO.

Of course, we have not acted in isolation. We have been working internationally. The Australian Federal Police have been working with their counterparts—notably, the Federal Bureau of Investigation in the United States and other counterparts in other countries. We have got ASIO working with international intelligence agencies, sharing vital information in the fight against terror. This has been a comprehensive fight in relation to terrorism both internationally and at home. It will be continuing and is one we are prepared for. But there is one thing we must be certain of. We must not be complacent and we must not change our way of life because of any threat of terrorism. To do that would be to admit defeat.

**Health Insurance**

Senator McLUCAS (2.07 p.m.)—My question is to Senator Patterson, the Minister for Health and Ageing. Will the minister confirm that the Australian Private Hospitals Association has met with her and indicated that private health insurance premiums have to rise by an average of seven to eight per cent or families seeking private treatment will have to pay increasing gaps? Given the Liberal Party’s election commitment that the Howard government’s policies will ‘lead to reduced premiums’, will the minister rule out premium increases at this level? Can the minister confirm that she told the private hospital industry group that a seven per cent premium increase next year would be the end of private health insurance?

**Senator PATTERSON**—I thank Senator McLucas for her question. It gives me the opportunity to say that one thing is absolutely certain: private health insurance will be 30 per cent cheaper under us than it will be under the opposition, because the Labor Party will not commit to the 30 per cent rebate. It is about time the Labor Party, after two years of reviewing private health insurance, tells the 8.5 million Australians who have private health insurance whether they are going to keep the 30 per cent rebate—particularly the one million Australians who earn less than $20,000 and who have private health insurance. They are waiting to hear from the Labor Party about premiums. If the rebate is taken away, it will have the effect of pushing up premiums for a family by $750 to $800 a year. Some 8.5 million Australians are waiting to hear that message from the Labor Party.

As Senator McLucas knows—she has been reading the newspapers—I have been discussing with the Private Hospitals Association the issue of a second-tier benefit. They did not particularly want to hear what I was saying about the second-tier benefit driving up, or having an inflationary effect on, premiums. I am happy to say—and I think the Private Hospitals Association have said this in a statement—that my staff and the Private Hospitals Association have had
productive conversations about the second-tier benefit and the possibility of working with the private health insurance industry to find an alternative way of dealing with it. I am determined to find every means I can to maintain downward pressure on premiums.

There are demands and pressures on health. For example, prostheses are one of the biggest cost drivers in private health insurance and we have been working on some reforms with those. We have to maintain downward pressure on premiums. I remind the health funds every time I meet with them that it is important that they give their members value for money, that they drive efficiencies in private health insurance, that they have products which have direct health benefits and that they do everything in their power to keep downward pressure on premiums. I am not going to enter into discussions between private health insurance funds and hospitals about their commercial arrangements. I do not think that is appropriate. I think it is very important, though, that they keep their eye on the ball, and they need to keep downward pressure on premiums. I am there, defending the members of their funds, to ensure that premiums are kept down. Of course they will not like to hear some of the things I have to say to them and of course they will not agree with me all the time, but I am not there to meet their needs. I am there to ensure that the members of their funds have the lowest premiums we can possibly achieve. That is my goal and I will stick by that. You mentioned one person’s view—not everyone’s view—an anonymous person who will not say it to my face. The Private Hospitals Association has come out and said that that is not a true reflection of the meeting. I am determined to ensure that downward pressure is kept on premiums. Let me say that premiums will be 30 per cent cheaper under us.

Economy: Performance

Senator CHAPMAN (2.12 p.m.)—Will the Leader of the Government in the Senate inform the Senate how the Howard government’s responsible management of the Australian economy is continuing to deliver benefits to Australian workers and their families?

Senator HILL—There is more good news for Australian workers and their families. Labour force figures released earlier today show unemployment at its lowest level in 13 years, at 5.8 per cent. Total employment rose by 80,600 in August 2003, the fifth largest monthly increase since the ABS labour force survey began in February 1978. Participation was up, but despite that fact, we were still able to achieve this fall in unemployment because of the extraordinarily strong employment growth of over 80,000. This is the first time since January 1990 that the unemployment rate has fallen below six per cent. We all know what happened after
January 1990. Under Labor’s mismanagement of the economy, the unemployment rate almost doubled within three years as Labor put more Australians out of work. Senator Cook remembers that almost a million Australians were out of work—a shameful record.

By contrast, since coming to office, the Howard government has rebuilt the Australian economy and helped create more than 1.2 million new jobs. That is 13,500 jobs per month—double the rate of job creation achieved by Labor in its last two terms in government. These outstanding results show the continuing underlying strength of the Australian labour market. It is a remarkable achievement, given the seriousness of the drought which has affected rural Australia, the slow performance of the US economy and the impact of the SARS virus on tourism. Forward indicators suggest that the labour market conditions will continue to improve in the months ahead.

Mr President, you will remember that we took the hard but fair decisions to get our budget back into surplus after the huge deficits we inherited from Labor. Every one of those decisions was opposed by the Australian Labor Party. We can now see the results of our responsible economic management—more jobs for Australians. The outlook for further business growth and investment looks good. The latest Westpac-Melbourne Institute index of consumer sentiment rose by 3.2 per cent in September to an exceptional result—16 per cent above the long-term average. The latest NAB monthly business survey reported that:

After rising significantly in July, business conditions strengthened further in August to be at the strongest level since the December quarter of 1994.

The latest census business index reported that business confidence among small and medium enterprises recorded a significant increase in the quarter, taking it to the highest level since August 1994. Under the Howard government, we have a strong economy, a budget in surplus, historically low interest rates and a continuing positive outlook for jobs growth.

Iraq

Senator COOK (2.16 p.m.)—My question is to Senator Hill, the Minister for Defence. Can the minister provide an update on the search for weapons of mass destruction in Iraq, in which 16 Australian personnel are participating? In May this year there was talk that 700 sites remained to be searched. Have all of these sites now been checked? If not, how many remain unsearched? Can the minister confirm that, since the war was declared over 131 days ago, no significant evidence of weapons of mass destruction has been found? What does the minister regard as a reasonable time frame within which weapons will be found and beyond which the search will be stopped? How long will Australian personnel remain in Iraq searching for weapons of mass destruction?

Senator HILL—It is true that the so-called smoking gun has not been found, but a great deal of evidence of Iraq’s weapons program has been found. The case is building, not so much as a result of the exploitation of sites, which was the previous way in which it was done, but rather through the interrogation of individuals who have either been captured or come forward. The emphasis in the further exploration has moved to the exploitation of that evidence rather than concentrating on the search. We know how easy it is to dispose of evidence, but what they cannot dispose of is the knowledge of individuals who are in the program—the scientists and others.

It is true that it is taking some time to put the picture together—there is no doubt about
that; there is no secret in that. I think the survey group has over 1,000 specialists engaged in the task. I understand that the first report of that survey group is due in the next month or so, and I am expecting that a public statement will be made at that time on the state of the evidence as it is then known. So it is proving to be a difficult task, but the pieces of the jigsaw are gradually being put together. I am confident that the evidence as finally exposed will indicate that Saddam Hussein certainly has had weapons of mass destruction and certainly desired to further exploit that capability in the future.

**Senator COOK**—Mr President, I ask a supplementary question. Does the minister recall saying in this chamber in May this year, ‘We are starting to uncover the evidence of weapons of mass destruction in Iraq’? Will the minister now undertake to provide the Senate with a full statement on the evidence discovered of weapons of mass destruction in Iraq since the end of the conflict? In his answer just now, he appears to be saying that no sites are being exploited from now on. How many sites on the original list of 700 sites will not now be checked?

**Senator HILL**—No, I did not say that no sites had been exploited. What I said was that there is a switch in emphasis. The emphasis now is more on interviews of key scientists and personnel involved in, or with knowledge of, the WMD programs and, similarly, the careful forensic investigation of documents and records. This is a time consuming task. As I said, the Iraqi survey group is preparing an interim report that is expected to be finalised, according to this briefing note, in about mid-September. I hope that something more authoritative may be available on the subject in the reasonably near future.

**Health: Research**

**Senator ALLISON** (2.21 p.m.)—My question is to the Minister for Health and Ageing. Is the minister aware that CSIRO has sacked 250 scientists, many of whom are working on public health issues? Was the minister informed that work on the CSIRO ultrasound bioeffects project, for instance, will stop this week? Was the minister informed that CSIRO has found foetal risks from some diagnostic ultrasound equipment and, if not, why not? Given that the vast majority of pregnant women now have ultrasounds, what will you do, Minister, to see that this important work is done?

**Senator PATTERSON**—I actually happen to be the Minister for Health and Ageing, not the Minister for Science, and CSIRO comes under the aegis of the Minister for Science—

**Senator Allison**—I rise on a point of order, Mr President. I in fact gave some warning to the minister’s office earlier today. This is a question for the minister for health, not the Minister for Science. I am quite aware that the Minister for Science is responsible for CSIRO. This is a question about the health minister’s response to what has happened with CSIRO.

The **PRESIDENT**—I think the minister was about to answer that question, and your point of order might have stopped that happening.

**Senator PATTERSON**—As I was saying, I am the minister for health, not the Minister for Science, and, although I try to keep on top of a number of areas outside my portfolio, I am not the Minister for Science. Senator Allison was told this. I appreciate her contacting my office and indicating the area of her question, but when I got in touch with the Minister for Science about this issue I was advised that there is no CSIRO bioeffects of ultrasound project. That is what I
was advised in the hour I had to find out. It would have been more appropriate, Senator Allison, if you had asked the question of the person representing the Minister for Science, Senator Alston. I do not know whether he has more detail than I have, but I have got information from the science minister’s office that there is no bioeffects of ultrasound project.

However, CSIRO has conducted work looking at bioeffects of electromagnetic radiation, which is more general than just ultrasound, and it has been undertaken by one person in CSIRO. I am advised that that project is no longer being funded and that CSIRO is currently exploring redeployment opportunities for the employee concerned. CSIRO has changed its focus and one area that it is focusing on now is prevention, but obviously it cannot cover every aspect. I will follow up any outstanding issues that I have not been able to answer here with my colleague Mr McGauran. But, as I said before, this is primarily a responsibility of CSIRO, which is the responsibility of the science minister.

Senator ALLISON—I thank the minister for her offer to follow up on those questions. Mr President, I ask a supplementary question. I wonder if the minister would also ask about the work which I understand will now stop on measurement and safety standards for ultrasound as a result of the sackings. Is the minister aware that work at CSIRO’s National Measurement Laboratory on medical metrology standards—which are associated with complementary health—will come to a halt because scientists have been sacked? I ask the minister: what other research on public health will be abandoned because of this government’s cuts that have forced CSIRO to chase the corporate dollar rather than look after public health?

Senator PATTERSON—I will just remind honourable senators that the Howard government has doubled its spending on medical research. Of course from time to time there are changes in the focus of research and the demands on research. As I said to Senator Allison, I will get back to her with details and answers to her question on behalf of the Minister for Science. Despite the fact that I am not representing the Minister for Science here, I will do that, but I will just remind Senator Allison and other senators that we have doubled funding on medical research since we came into government. In fact, of the total budget when we came into government, 14½ per cent was spent on health. We now have almost 20 per cent of the budget being spent on health.

Defence: Shipbuilding Industry

Senator CARR (2.26 p.m.)—My question without notice is to Senator Hill, the Minister for Defence. Can the minister confirm that members of his staff provided the following advice to a delegation of mayors from Melbourne’s western suburbs seeking the government’s intention for the future of naval shipbuilding at the Williamstown dockyard: firstly, that contracts for the next generation of naval surface vessels have been delayed and are possibly two to three years off—giving no reassurance to the 800 employees at Williamstown—and, secondly, that the government may offer small, short-term contracts in an attempt to keep such shipyards going while the government tries to work out its policy? Does the minister recall releasing the shipbuilding sector plan in August 2002, with the claim that he would take it to cabinet the following month? Can the minister now explain why, 12 months on, he has not been able to convince his colleagues about the merits of the plan? Isn’t the uncertainty around the future of the plan now adding to the problems faced by the naval
shipbuilding yards and the delay on future projects?

Senator HILL—The project at the shipyard at Williamstown at the moment is of course the construction of the Anzac frigates, which is continuing. I have to say I think Tenix have done a very good job with the frigates, and the workers can be very proud of their capabilities. In relation to future types of ship, we are operating under the Defence Capability Plan, which has timelines and there has been no decision to depart from those timelines. The DCP is being updated at the moment. If there is any change in the timelines, we will make that public, because one of the purposes of the DCP is to give industry confidence to invest and plan for the future.

In relation to the shipbuilding plan and our attempt to work with industry to rationalise capabilities, because basically capabilities exceed the naval shipbuilding that is intended for the foreseeable future, that project is continuing to be worked on but has been delayed because of our inability to market the Submarine Corporation. I think most sensible people recognise that, in a rationalisation, the Submarine Corporation has got to be a key part of future shipbuilding capability and, because of disputes with Kockums over intellectual property and some other matters which I have outlined before, there has been a delay in the privatisation of that government capability. When that can proceed then the naval shipbuilding rationalisation can proceed, and I think that will be good for the industry, because we are wanting to give the workers confidence in their jobs on a long-term basis, not simply in the short term.

Senator CARR—Mr President, I have a supplementary question. I ask again, Minister, what reassurance you can give the 800 employees at Williamstown about their futures. Can you confirm that the Prime Minister has given a guarantee to the Premier of Victoria that decisions relating to the future of naval shipbuilding will be ‘fair and transparent’? What steps have you taken to ensure that this in fact is the case?

Senator HILL—Of course it will be fair and transparent. What I can say to Tenix, as to other shipbuilders, ADI, the Submarine Corporation and so forth, is that they will be able to compete for the next type of Australian naval ship. The competition will be won on price and quality and all the inputs to good value outcomes in the same way that all this government’s public contracts are decided. We take advice from independent panels and we make a decision on the basis of that advice. That is the confidence the workers can have in this government.

Education: Language, Literacy and Numeracy Program

Senator NETTLE (2.31 p.m.)—My question is to the Minister representing the Minister for Education, Science and Training. Can the minister confirm that the Language, Literacy and Numeracy Program, which delivers essential basic education to thousands of long-term unemployed people and migrants, is facing imminent financial collapse? Can the minister confirm that at current spending levels the budget for this program will run out six months early, resulting in school closures, staff lay-offs and students being turned away? Can the minister also confirm that such a collapse will make it next to impossible to revive the program in the following financial year, effectively cutting off a life-line to the thousands who are desperately in need of the help that this program delivers? Will the government give a commitment to release extra funding to save this program and give peace of mind to the students, teachers and small businesses that depend on its continuation?
Senator ALSTON—I do not know where Senator Nettle gets her information, but I certainly have no knowledge of any suggestion that this program is on the verge of imminent financial collapse. I think that is a hysterical overreaction. There were some changes announced to the program to operate from May this year which quite sensibly said that, rather than simply allowing clients to have 400 hours of training almost as a matter of course, there should be a maximum of 200 hours, which can be varied in particular circumstances if there is progress and apparent commitment being made, but in some instances less than 200 hours may be appropriate.

There has also been a 28-day waiting list introduced between the date of assessment and commencement for the clients. That is designed to ensure that job seekers not committed to training are less likely to commence. That will reduce program outlays on English language clients who do not stay in training and it will improve the quality of participants who commence training. A further factor has been the high withdrawal rates. Providers have routinely allocated 400 hours of training. Under the contract DEST pays a 40 per cent training commencement fee up front to the provider even if the clients withdraw from training the following day. So again the reduction to 200 hours is designed to minimise wastage on clients who drop out. The 28-day delay is probably not ideal in some circumstances but it has been necessary to stem the flow of clients and manage the program within the budget parameters. Without it, the program would have faced a situation where the money ran out and clients who needed help later in the year would have been turned away.

It sounds very much as though Senator Nettle’s informant has not taken account of the May changes but has simply extrapolated on the basis of the parameters that were in place. Yet what we have done is modify them in such a way that we think we can reduce the level of demand while not reducing the quality of the outcome. In those circumstances, the government will still be spending $40.7 million this year, rising in each of the next three years to $46.4 million in 2006-07. The number of participants in the program has risen from 13,000-odd in 2001-02 to approximately 19,500 in 2002-03. So clearly there is a demand for the service, but that does not mean that it has been efficient, and our obligation in ensuring value for money is to try and trim it in various ways that maintain the integrity of the program but get the best value for money.

Senator NETTLE—I have a supplementary question, Mr President. It relates to letters sent out by the department prior to the May decision that the minister referred to in his answer. When the department knew of the funding difficulties being faced with regard to excess demand on this program as long ago as 10 months, why did it only send letters in May to the small not-for-profit providers warning of these changes that were needed to be made in relation to the excess demand? Doesn’t this mismanagement of demand represent a betrayal of those providers, who went through an exhaustive tendering process and are now facing closure, a betrayal of the staff and teachers who had been encouraged to promote referrals to the scheme and a betrayal of the students who will lose access to the essential help that the scheme provides?

Senator ALSTON—As I understand it, Senator Nettle is conceding that the level of concern relates primarily to the situation before May this year. My brief does not tell me this, but I assume May this year is significant because that was the time of the budget and therefore presumably the approach was not to have a series of ad hoc changes but to review it on a full financial year basis and then
make decisions for the full year going forward. As a result, a number of those modifications were announced in the budget, and presumably as a result people were written to shortly thereafter to explain what those circumstances were. People who are applying for government funds cannot simply expect that the government is going to make a decision on each individual supplier. The decision needs to be made in the context of the funding allocation, and that was done at the time of the budget.

**Defence: Health Services**

**Senator MARSHALL** (2.37 p.m.)—My question is to Senator Hill, the Minister for Defence. Can the minister confirm that his own department has warned, following the withdrawal of Mayne Health from negotiations over the provision of Defence health services, that Defence will now have major problems providing health care in Victoria? Haven’t arrangements been made for almost all uniformed health personnel to be posted from Victoria in December, on the expectation that the contract would be signed? Hasn’t the defence department advised that urgent action is required to ensure that adequate health staff remain in Victoria beyond December this year? Has the minister ensured that this urgent action is being taken? Given the incredible efforts of Defence health personnel in evacuating victims from the Bali bombing, why has the government left many of them in a state of uncertainty for five years through its bungled attempts to outsource their jobs?

**Senator HILL**—On 1 September this year Mayne Group Ltd did notify Defence of their withdrawal from negotiations as the preferred tenderer for provision of Defence health services in Victoria. This is a disappointing development, with the benefits of this contract expected to include a more rational and productive use of ADF health assets, cost savings and improved service delivery at some bases. Despite the opposition’s opportunistic claims, the decision by Mayne does not reflect a bungled attempt to outsource health services in Victoria, nor has this process degraded medical capability in the ADF. The government remains committed to a policy of market testing services such as non-operational health support where it is appropriate to do so. This policy has seen a significant increase in the proportion of ADF personnel employed at the sharp end in combat related roles.

I can also assure all Victorian based ADF personnel that they will continue to have access to health services of the highest standards. I am now considering a number of options for future health care delivery in Victoria. In the meantime, services will continue to be provided under the existing arrangements, ensuring that ADF personnel continue to receive comprehensive, high-quality health care.

**Senator MARSHALL**—Mr President, I ask a supplementary question. Minister, how much has this long-running and bungled attempt to outsource Defence health services cost the taxpayer? Isn’t it the case that, after five years and presumably many millions of dollars, the government has nothing to show for its efforts? Minister, will the government be seeking to recover some of these costs from Mayne Health?

**Senator HILL**—I can find out, of course, what the cost of the process has been to date, but the objective of cost efficiency, of being able to redirect resources to what I described as the sharp end, the combat role, seems to me to be sensible and rational. It was certainly claimed to be sensible and rational by the Labor Party when it was doing it in government, but of course this government is now dealing with the more difficult areas that were left, as in so many cases, by Labor.
Notwithstanding the fact that it is difficult, this government will continue to rationalise these capabilities in order that the emphasis can be on the combat end of defence, and we have seen the benefits of that reform already. (Time expired)

Business: Investment

Senator COLBECK (2.41 p.m.)—My question is to the Minister representing the Minister for Industry, Tourism and Resources, Senator Minchin. Will the minister advise the Senate of how the Howard government is generating investment and creating more jobs by providing strategic incentives to major projects that would otherwise not locate in Australia? Is the minister aware of any alternative policies?

Senator MINCHIN—I thank Senator Colbeck for that very good question. It is true that since we came into office we have put a real focus on encouraging business investment in this country. We do so because with business investment you get jobs and you get wealth, and that is what this country is about. Of course today’s fantastic job figures—which are an embarrassment to the other side—are a vindication of this real focus we have been putting on investment. A key part of that investment focus has been our strategic investment coordination process, which we initiated in 1997. That is about providing strategic investment incentives to get jobs and to get investment that otherwise would go to other countries. That is the key criterion for these incentives: that without them, that investment would go somewhere else.

Since we started this program six years ago we have announced assistance of about $400 million to generate some $7,000 million in investments. I remind you that, without these incentives, that $7 billion of investment would have gone somewhere else. That has included support for projects such as the Holden V6 engine plant in Melbourne, a new Asia-Pacific e-business innovation centre in Sydney and the Comalco alumina refinery in Gladstone. These investments are expected to generate in excess of 2,700 direct jobs, over 13,000 jobs during construction and about 15,000 indirect jobs in the rest of the economy. Of course, they will also earn us substantial export revenue—about $2 billion per annum at least.

Some have asked, ‘Why are you spending $400 million on investment incentives?’ That is over six years, and it ought to be put in the context of government spending. We spend over $350 million every year on just one anticholesterol drug through the PBS. You would think, with such a great program, with such a big bang for the buck and so many jobs being created, that the Labor Party would support such a program. But no—the Labor Party under the current leadership has a very clear anti-business, anti-investment, anti-jobs agenda. Indeed, on 8 May this year, in a speech to no less than the Tasmanian Fabian Society, Mr Craig Emerson, who was then the opposition industry spokesperson—indeed, he is this fellow nobody had heard about until he started attacking Tony Abbott for exposing the electoral rorts of One Nation—

Senator Faulkner—You mean Dr Craig Emerson.

Senator MINCHIN—Apparently it is Dr Craig Emerson. It is even worse that a doctor would be doing this. He announced that a future ALP government will abandon this fantastic program that has generated so much investment and so many jobs. I remind you that this is a program which has generated $7,000 million in investment and thousands of jobs.

So, under a Labor government—under Labor policy—there would be no Holden engine plant, no e-business innovation centre
in Melbourne and no Comalco alumina refinery in Gladstone. This is an extraordinary approach from the Labor Party, which apparently says that it is dedicated to jobs. But, under its policies—including the abolition of this program; including hitting the mining industry with a $400 million tax slug—there are no jobs, no investment and no wealth creation whatsoever. There is no wonder whatsoever that the voters simply are not interested in you.

**Defence: Funding**

Senator CROSSIN (2.45 p.m.)—My question is addressed to Senator Hill, the Minister for Defence. Can the minister confirm that, due to an administrative bungle, around 580 Army combat clerks and storemen at bases around Australia have been overpaid for the last four years? Is it not true that the government is now forcing all of these personnel to revert to a lower pay point? Does this not mean that the affected personnel will be forced to take pay cuts of up to $3,500 a year from 30 November 2003? Why are ordinary service personnel now being forced to wear the consequences of a mistake made by the Army four years ago—a mistake that was not made by the soldiers?

Senator HILL—Well, I don’t—

Senator Faulkner—You don’t have a clue, do you?

Senator HILL—No, I don’t, actually. But I will refer the question to the minister responsible for defence personnel in the other place and I am sure that she will have a clue.

Senator CROSSIN—That is just handballing a football—probably worse than the Carlton football team would. Mr President, I ask a supplementary question. Is it not true that the $3,500 pay cuts being imposed upon ordinary Army personnel are only occurring to satisfy Defence’s drive for budget savings at any cost? Aren’t these savings only necessary because of a continued funding shortfall in Defence? Why is the government now forcing ordinary service personnel to carry the financial burden of paying for the government’s mismanagement of the Defence budget?

Senator HILL—They are not. It is true that there are some cost pressures; there is no secret about that. But there always are in Defence, and those cost pressures are being managed. Defence has received substantial increases in funding in recent years and, under the culture of economy which is being introduced in Defence, money will be better utilised in the future. But, certainly, there is no suggestion that any unfair burden should be put on service personnel.

**Education: Scholarships**

Senator LEES (2.48 p.m.)—My question is addressed to Senator Vanstone, the Minister for Family and Community Services. Is the minister aware that her department has reversed its initial advice to the Group of Eight universities about their equity based scholarships and that these scholarships will now be assessed as income? Does the minister acknowledge that the average student earns around $150 a week and that they will lose $2,850 in Youth Allowance if they are awarded a $3,000 merit based scholarship? Minister, are you concerned that the universities are now likely to abolish their equity based scholarships, which are worth almost $400,000 a year? Will you please explain to the Senate why this government has decided to assess scholarships targeted specifically to students from very low income families as income?

Senator VANSTONE—I thank the senator for the question. I am aware of the concern that you raise. The advice I have, which I have only received recently—and verbally—is that there has not in fact been a change in the way these things have been
assessed. But, in a sense, that is a moot point, isn’t it? What happened in the past is, perhaps, not relevant. I am having a look at the issue of these scholarships to make sure that in the future we have a situation that is very fair—which is not to say we do not have it now. If it is not, we might have to look at some changes.

Obviously, we want students who win scholarships to universities to be able to accept those scholarships. That is not to say they should be able to accept them without doing any work. I did my own degrees part time, while working, because I could not do them full time. That ought not to be lost: that there is this option there, and there is a lot of part-time work available. Nonetheless, in principle, of course you do not want low-income students not to be able to accept these sorts of scholarships. At the same time, you might need to consider what would happen if you said, ‘All right, scholarships that are for fees will not be counted as any income or benefit.’ What I would do if I were running a trust that was providing scholarships would be to turn them all into fee based ones so that the Commonwealth could pick up the tab on the living expenses of students, which would otherwise be paid by a scholarship. In other words, you would induce a change of behaviour in the community that you or I might not want.

Another aspect that I would like to look at carefully is to make sure that these do go to students who are disadvantaged. That is not as easy to design as we might imagine. It is easy to agree in principle that that ought to happen. I will give you an example, Senator. As you probably understand, someone can be considered independent if they have worked away from home for a period of time and earned a certain amount of money. So it is not hard to imagine a kid from a very wealthy household—who goes over to the United Kingdom, does a year’s tutoring in a college for girls or young men and comes back—being considered independent and getting the relevant allowance. I do not know that you are arguing to me that you would want us to treat a scholarship to Bond for $40,000 to such a student as no real benefit and give that student an allowance. So there are issues to be considered here. I understand the concern. We are looking at it and, when we have finished looking at it, I will come back and give you some advice. If you have any other information you want considered in looking at this, I would be happy to take it into account.

Senator LEES—Mr President, I ask a supplementary question. I am very pleased to hear that the minister is going to reconsider this decision because basically it means that universities are just cross-subsidising Centrelink. They have been targeting their scholarships at those students who are considered disadvantaged back in the school system—in other words, they are already on some sort of book allowance or some other allowance while completing secondary schooling. Minister, while you are looking at income can you also look at the fact that the Group of Eight has just been advised by your department that if a university offers to waive fees, as you just discussed, to help the students that will also be considered as income for social security purposes?

Senator VANSTONE—Senator, I will have to go back and check my answer because I think the question you have put to me now is the same one you put to me before. There might be some variation. I will check that and come back. I have basically said in short form to you that the advice I have had verbally is that there has not been a change although I know that some people believe verbally is that there has not been a change although I know that some people believe there has. I have also said, subsequent to that, that in a sense it does not matter what has happened in the past; we always want to make things better for the future—that is
presumably why all of us are here. We are having a look at it to see if the situation now can feasibly be improved. I have given you an indication of the sorts of things we will want to take into account. It may well be the case that universities target students who are disadvantaged back through the secondary school system but that does not mean that if you change the law they will continue to do that. You might need to devise a change that would ensure that that benefit went to those sorts of students. In that answer you have a general view which, I am taking a guess, you would not disagree with.

Defence: Parliamentary Library

Senator WONG (2.54 p.m.)—My question is to the Minister for Defence, Senator Hill. Can the minister confirm that his chief of staff directed Defence not to respond to questions put to them by the Parliamentary Library two weeks ago? Can the minister also confirm that 24 hours later his office revised this ban, with Defence now being told that, while they should respond to questions, they should do so at their leisure? Why has the minister’s office intervened in an attempt to block the Parliamentary Library from making legitimate requests for information from the department? Does this not run counter to long-term and accepted practices by both parties?

Senator HILL—Unfortunately, the honourable senator has been misinformed. The Department of Defence seeks to assist the Parliamentary Library with all reasonable requests and within reasonable time lines. There have been some parliamentarians who have been attempting to short-cut the normal process by wrongly utilising the Parliamentary Library and embarrassing the Parliamentary Library in that regard. I take this opportunity to respectfully request parliamentarians to accord with the usual conventions in this regard.

Senator WONG—Mr President, I ask a supplementary question. Can the minister assure the Senate that the Parliamentary Library will be allowed to ask legitimate questions of his department?

Senator HILL—We answer hundreds of questions on notice, many of them with literally dozens of subquestions. As I said, we cooperate with the Parliamentary Library but, if the Parliamentary Library rings and demands an answer before question time, for example, that may in certain circumstances be inappropriate. All we do is ask that parliamentarians accord with the norms in relation to utilisation of the Parliamentary Library and then there will be no difficulties in the future.

Health: Reforms

Senator TCHEN (2.56 p.m.)—My question is to the Minister for Health and Ageing, Senator Patterson. Given the importance of the private health system in Australia’s full range of comprehensive services to the Australian people, will the minister outline to the Senate how the Howard government’s reform has strengthened the private health system in Australia, notwithstanding the Private Hospitals Association’s occasionally aberrant behaviour? Is the minister aware of any alternative policies?

Senator PATTERSON—I thank Senator Tchen for his question. In 1996 when we came to government the private health system was at breaking point. The number of Australians with private cover had fallen dramatically, putting unsustainable pressure on Medicare and on the public hospital system. That was the result of 13 years of neglect by Labor. Their health minister, the then Senator Richardson, said that it was unsustainable if membership went below 30 per cent. In December 1998 the membership in private health insurance was 30.1 per cent—it was at that critical point where it
was deemed to be no longer sustainable. The implementation of the 30 per cent rebate and lifetime health cover saw a number of people joining private health insurance and bringing it up to a level which is sustainable—above 43 per cent. We now have a membership which has been able to ensure not only that private hospitals can take a huge pressure off the public hospitals but also that private hospitals can actually build, extend and have some certainty. They are very concerned about Labor and its views about the rebate because that could have quite significant implications for their investment.

Yesterday morning in the Senate a series of government reforms were passed which will continue to strengthen the private health insurance industry and ensure greater value for money for members. In answer to questions by Senator McLucas I said that I was absolutely determined to ensure that I do everything I can to keep downward pressure on premiums.

Senator Sherry—They’re going up.

Senator PATTERSON—I hear a shout from Senator Sherry. Let me tell you, under Labor they went up by an average of 11 per cent a year.

The PRESIDENT—Minister, ignore the interjections and address your remarks through the chair.

Senator PATTERSON—Oh, no, I cannot ignore the interjections, Mr President. They went up 11 per cent under Labor and they have gone up an average of five per cent under us. If you want to talk about private health insurance premiums going up, they went up under you so fast that people ran away from private health insurance and the rate got down to 30 per cent. It was unsustainable.

Yesterday morning in the Senate we had a range of measures that were going to put downward pressure on private health insurance premiums. The other night, during the debate, the Australian public were given three alternatives to the government’s PHI and lifetime health cover. First we have the Greens. The Greens want to abolish the rebate. At least we know where they stand. They have come out and said, ‘We are going to abolish the rebate.’ We know where the Greens stand. Senator Nettle thinks everything should be free and that we should abolish the rebate. There we have the Greens clearly on the record now for the election that they are going to abolish the rebate. For the 8.5 million people who have private health insurance, their premiums will be guaranteed to be $750 a year more for a family.

Then we have the Democrats: they wanted to means test it at the beginning of the night and by the end of the night they wanted to abolish it, too. They decided: ‘We’ll abolish it, because it doesn’t matter. The Labor Party have not made up their minds, so if we sit over this side it won’t make a difference.’ They wanted to cap it earlier in the evening and they wanted to abolish it later in the evening. That is very typical of the Democrats: you never know quite where they are—earlier on they were going to cap it. But you know where the Greens are.

As for Labor, they were put on the spot by the Greens. They were very annoyed with the Greens. Senator Brown, they were very annoyed with you, because they were put on the spot and they had to say that they were not going to abolish it, but that they were reviewing it. We still do not know what they are going to do. At the last election, the Labor Party had to run some ads to say what they stood for because Australia did not know what they stood for. They still do not know what they stand for. They still do not know where they stand with the rebate—whether they are going to take it off ancillar-
ies or whether they are going to do something else with it. (Time expired)

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

ANSWERS TO QUESTIONS ON NOTICE

Question No. 411

Senator CHRIS EVANS (Western Australia) (3.01 p.m.)—Under standing order 74(5), I ask the Minister for Defence to give reasons why question on notice No. 411 asked by me has not been replied to. The question relates to DSD’s activities in relation to the Tampa sailing into Australian waters, the use of DSD and the reports made by it and the circulation of that information among ministers. The minister would be aware that that question on notice has now been due for 436 days.

Senator Faulkner—Was that 436 days?

Senator CHRIS EVANS—It was 436 days. Given that the minister encouraged us, rather than going through the Parliamentary Library, to use questions on notice as a vehicle for gaining information, I point out to him that I think I have had a reasonable wait, in waiting 436 days. I have been extremely patient. I wrote to the minister some weeks ago, asking him to turn his attention to this matter. I concede he is very busy, but I would appreciate it if he could provide an answer to that question, which, as I say, is now 436 days overdue. I am beginning to get a little suspicious as to why the minister does not want to answer the question regarding the DSD’s role in the Tampa exercise.

Senator HILL (South Australia—Minister for Defence) (3.02 p.m.)—I can assure the honourable senator that there is no reason to become suspicious.

Senator Faulkner—You mean it is incompetence.

Senator HILL—No, I think he could have also recognised in making his point that literally hundreds of questions have been answered by me to him on time, and many of those questions are multipart questions and many are in great deal. He obviously has somebody in his office who does nothing else but sit there all day writing very detailed questions. Despite the enormous amount of Defence officials’ time that is taken up in answering them, it is obviously part of the democratic process.

Senator Faulkner—In other words, you’re guilty. You haven’t answered the question. Get on with it. Get back to your office and answer the question.

The PRESIDENT—Order! Senator Faulkner.

Senator HILL—That is very unkind.

Senator Chris Evans interjecting—

The PRESIDENT—Let us get back to a bit of order in this place.

Senator HILL—I am trying to establish a baseline for this debate. The baseline is that a very large number of questions have in fact been answered on time. This one, being a rarity in being overdue, obviously has come to the honourable senator’s attention. It is true, I regret to say, that this one fell through the cracks and it did so because it involved a range of different ministers. As a result of the letter I received from Senator Evans, the papers have been recovered and I hope that I will be able to give him an answer as soon as possible.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Answers to Questions

Senator CARR (Victoria) (3.04 p.m.)—I move:
That the Senate take note of the answers given by ministers to questions without notice asked today.

This issue has arisen as a result of a visit that I undertook to the dockyards last week. Of course, these are the dockyards where the Anzac class frigates are currently being constructed. They are on the last vessel. The last keel was laid earlier in the year. This visit followed a meeting of a delegation of western region mayors from Melbourne. These mayors met with opposition spokespeople and with government ministers about their grave concerns for the future of the Melbourne shipyards. The workers and management at the shipyard in Williamstown have produced some of the finest work of naval service shipbuilding in the country at the moment. They play a vital role in the industrial infrastructure of Melbourne. They make a very substantial contribution to the western suburbs both in direct employment at the shipyards and in subcontracting. They are generating some $406 million annually in economic activity for the region. This has huge flow-on consequences for Melbourne and impacts hugely in value-adding and in providing opportunities for employment in the skilled trades.

The social and economic consequences of the dockyards are profound—they range right through, from the universities and the TAFE colleges of the region to the hospitals and the housing markets of the west of Melbourne. Eighty to 90 per cent of the employees on the dockyards are in fact residents of the western region of Melbourne. These shipyards, I repeat, are a critical part of the region’s social and economic infrastructure, and the loss of industrial capacity that may well flow from government decisions needs to be registered and understood here. The social vandalism that would arise in such circumstances needs to be understood.

The shipyards in Melbourne are facing a further round of lay-offs later this year—60 to 70 employees will be laid off before Christmas, and a similar number again will be laid off in May next year. The work force has already been slashed by 60 per cent, and the government’s dithering will lead to a further reduction of 15 per cent by early next year. These dockyards are in desperate need of new contracts. They are reliant upon the government for shipbuilding work—and, of course, naval shipbuilding work at that. If they do not secure another contract within a year, it is my information that those dockyards will effectively be mothballed.

The situation here may well lead to an irreversible loss of capacity for the shipyards in Melbourne. Grave concerns about the future have been expressed by the government in Victoria, and they reflect the views of local government right throughout the region. It is time for this government to make clear what its position is regarding the future of those facilities. As I understand it, the Premier of Victoria has taken up the concerns of the people of Victoria directly with the Prime Minister. Senior ministers in this government have also been approached on this question. I understand that the Prime Minister has said that the decisions of the government will be made on a fair and transparent basis. We are yet to see any evidence that that assurance will be vindicated.

This is a very impressive facility with a highly skilled work force that is in the process of completing the 10 frigates for the Australian and New Zealand navies. They are able to produce work that, I would suggest, is state of the art in manufacturing arrangements in this country. They are the pre-eminent naval surface shipbuilder in the country.

Senator Hill—Good company, Tenix.
**Senator CARR**—You mention Tenix, and I trust that their major problem has not been the political mistake of employing the former Minister for Defence. I trust that these issues will be dealt with in a fair and reasonable way and that the government will not be acting to discriminate against them because of their hostility to the former defence minister. I trust that the minister is not going to act in this way. Shipbuilding rationalisation plans were announced by the government in August 2002. We have yet to see any response. *(Time expired)*

**Senator BRANDIS** *(Queensland)* *(3.10 p.m.)*—Senator Carr comes before the Senate like one of the great illusionists in many guises. Sometimes he appears as the defender of totalitarian regimes, sometimes he appears as the man who attacks quality and standards in the Australian tertiary education system, sometimes he appears in the guise of the man who attacks Australia’s most distinguished public servants, like Dr Shergold, in estimates and in Senate hearings; but today we see Senator Carr in a new and different guise—a most surprising guise. We see Senator Carr in the guise of the defender of Australian defence industries. What a surprising guise for Senator Carr to appear in before us today.

If you boil it down, there were two complaints in Senator Carr’s speech. The first complaint was of loss of jobs in the shipbuilding industry and, secondly, the complaint of the desperate need for new defence contracts for Australian shipbuilding companies, particularly the Williamstown naval dockyard. Has the irony escaped any senator in this chamber that this complaint about loss of jobs in the shipbuilding sector comes within three hours of the announcement that unemployment in Australia today, as a result of the policies of the Howard government and as a result of the outstanding economic management of the Treasurer, Peter Costello, has fallen to its lowest level in 13 years? For years we have been saying that, if we keep the economic policy settings right, if we do not take our eye off the ball, if we maintain fiscal discipline, the day will come before long when we will see the unemployment figure with a five in front of it. That claim was ridiculed by our friends on the Labor Party benches, it was ridiculed by Senator Carr and I wouldn’t be surprised, Senator Marshall, if it was ridiculed by you.

*Senator Marshall interjecting—*

**Senator BRANDIS**—I am sorry, Senator Marshall, I misrepresent you. It was not ridiculed by you. I am pleased to see that it was not. That day has come to pass, because at noon today the figures were announced and unemployment in this country has a number with a five in front of it, 5.8 per cent—the lowest level of unemployment in this country since the recession we had to have in 1990, the lowest level of unemployment in this country in the living memory of anyone in the work force under the age of 30, the lowest level of unemployment of almost any OECD economy and that, in the circumstances described by Senator Minchin in his answer to a question from Senator Colbeck, in the most unfavourable international economic climate.

Yet here comes Senator Carr, the great illusionist, with the effrontery to say that this government is responsible for the loss of jobs in the defence contracting industry. The great vandal—the great, to use Senator Carr’s words, social vandal—when it came to employment prospects in this country was the Hawke and Keating government. Why is it that we have unemployment today in Australia, for the first time in a decade and a half, below six per cent? I will tell you why, Mr Deputy President: because we have not maintained inefficient industries, we have not allowed industries to hide their ineffi-
ciencies behind tariff walls; we have pursued a process of economic rationalisation, as a result of which our economy is now productive. Productivity generates wealth, wealth generates profitability, profitability generates more investment and more investment generates more jobs. That is the very thing about which socialists like Senator Carr complain. They lament profitability, they lament wealth and they lament investment, and they cannot see that those are the very motors that drive economic prosperity.

So don’t come into this chamber, Senator Carr, and talk about social vandalism, don’t come and cry your crocodile tears about the loss of jobs when you were a member of a government that presided over the highest levels of unemployment seen in this country since the Depression—on the very day, this red-letter day, when the Howard government has brought unemployment below six per cent. (Time expired)

Senator MARSHALL (Victoria) (3.15 p.m.)—I rise to take note of the answer given to the question I asked of Senator Hill, the Minister for Defence. In the short time that I have been here, it never ceases to amaze me when I witness the ability of government senators to rewrite history in the space of five minutes, with an absolute disregard to the facts of the matter or the historical truth and reality. But that is not the issue that I wanted to raise today. It probably should not surprise any senators who have taken an interest in the Defence portfolio that I rise again to talk about another economic debacle in that portfolio—an issue that has been an absolute debacle from start to finish.

We have had a process in Defence where, as the minister said, the government wanted to test the economic viability of all the areas in Defence, including health services. Defence go through a process of asking for tenders to provide health services in the defence forces. All the tenders come in over the price that Defence currently provides that service for. You would think that to all normal people that would tell you something. It would tell you that the services that Defence are providing in health are obviously within the market range and that they are in fact providing them economically and efficiently. Not one private tender could come in below the cost that health is now provided for by Defence—not in this ministry, the ministry that is full of economic wonders and miracles. We have had all sorts of criticisms in the ASPI reports and from the Auditor-General, we have had the ridiculous scenario of the land and property sales and leaseback which cost Defence twice the amount over a 20-year period for the properties that they need to use and described as an economic miracle, yet here is another one.

So they send the tenderers away to try again. Their ideological perspective is that it does not matter what the economic reality is: ‘We want these services absolutely privatised and outsourced, even if it is going to cost us more.’ So Mayne Health gets cajoled into entering into tortuous and long negotiations to try to be a successful tenderer. In doing so, Minister Danna Vale prematurely closes down RAAF6 in a fit of excitement, waiting for Mayne to arrive to take over Defence Health Services. RAAF6 was one of only six deployable field hospitals that the Australian defence forces had. It rotated twice to East Timor and was an excellent training facility for reservists who seek to develop specialist military medicine skills for use in operations. Yet after 12 months of painful and expensive negotiations RAAF6 is now closed and Mayne still have not signed.

So the government decide that they need to offer some inducements. What do they offer? To try to get Mayne Health over the line so they can do away with an already economic and efficient service being pro-
vided by Defence, they offer them, at taxpayers’ expense, free gas, free power, free phones, free computer links, free maintenance, free pharmaceuticals and free transport of patients. You would think, ‘How could that not be enough to get them over the line?’ but there is more. They offer them $1 rent for nine hospitals and health facilities; yet it was still not enough to get them over the line. Even with these massive taxpayer funded inducements, Mayne still walked away from the contract. They still could not make money on it. This is another absolute demonstration that the services that are being provided now in the health area of Defence are economic, viable, competitive and beat the private sector.

So here we are today in this shameful situation with hundreds of thousands, if not millions, of dollars spent, the RAAF6 base gutted and closed and medical staff posted all over the country out of Victoria, with Defence and the government trying to convince all these people to come back, so we can continue to provide health services for Defence. Sometimes I feel sorry for this particular minister, because I know this government finds good help hard to get, and his helper in this case is Minister Danna Vale, who certainly has not been any help to him in this situation. If we look at Minister Vale’s press release, it states:

The Government remains committed to a policy of market testing—

(Time expired)

Senator LIGHTFOOT (Western Australia) (3.20 p.m.)—I am always disappointed when I hear—and I hear it more prevalently these days than ever before in my political career—the opposition’s railing against the defence forces which obviously induces insecurity within the Defence Force staff. The defence forces used to be viewed as being sacred and immune from the criticism that the Australian Labor Party offer these days by way of a perceived legitimate debate and tools to use against the coalition government. In generic terms, the facts are that the Australian defence forces have never been better off. Under this government, there has been growth both in the expertise to which the defence forces have access and in the three main services of the defence forces: the Army, the Navy and the Air Force. A white paper was released by the government last year that set out a potential record for spending on the Australian defence forces. Unfortunately, the opposition has a history of not looking after Australian Defence Force personnel. By and large, the Australian defence forces support a coalition government, because over the hundred years federation has existed it has always been coalition or conservative governments that have looked towards Defence Force personnel as being a priority with respect to spending and providing those supplies which make their lives and their conditions among the best in the world.

Senator Marshall talked of the Mayne Group, which notified Defence recently of its withdrawal from negotiations as one of the preferred tenderers for provisions of Defence Force health services in Victoria. The fact that one preferred tenderer is withdrawing from it does not mean there will be a diminution of it. It may come back again. It has given no indication it will not tender again or will not in fact assist the government wherever it can or wherever it is feasible for it to do so. The developments with the present contractor are disappointing. They were expected to include a more rational and productive use of Australian Defence Force health assets and cost savings as a result of the improved delivery of services to those Defence Force personnel in Victoria.

I recall when the Vietnam veterans who had not already returned to Australia from Vietnam were sent home in 1975. As a con-
sequence, they suffered tremendous psychological problems, and other problems they brought with them from the Vietnam War. I recall when our Defence Force personnel went to East Timor that they did not get a rousing send-off from the opposition at that stage. I recall when our Defence Force personnel went off to the Middle-East. Every one of them, I am proud to say, came back from the Middle-East, but when they were sent off they were not sent off with the best wishes of the federal opposition.

There is too much of a history of the opposition not supporting our Defence Force men and women, who are among the finest in the world. It is a continuing source of annoyance and concern to me that the opposition continues not only to pick away and cause insecurity among not just the Australian Defence Force personnel—who are, as I said, amongst the finest in the world—but to pick away so that the people of Australia are often induced to believe there is something wrong and that the government is not giving its top priority to them. History and statistics bear that out. They bear out that the government spends more on defence per capita than the previous 13 years of hard Labor did between the early eighties and the mid-nineties when this government took office. To say that this government neglects the Australian Defence Force personnel in any manner, in any sphere, defies logic and defies history. We know that the government is proud of its Australian Defence Force personnel—(Time expired).

Senator CROSSIN (Northern Territory) (3.25 p.m.)—In taking note of the answer to the question that I asked of Senator Hill today, I just want to place on record a correction to Senator Lightfoot’s meagre and poor contribution to our motion to take note of answers this afternoon. When our troops were sent off to the Iraq war earlier this year it is absolutely not correct to say that they were not sent off with the best wishes of the opposition. That is blatantly untrue. It is not at all a correct representation of the position of the Australian Labor Party. It ought to be put on record that that was not, and never will be, the position of the Australian Labor Party. I want to correct that because I think it is very wrong indeed. I want to ensure that our position is represented correctly and not misrepresented in the way Senator Lightfoot chose to.

I asked Senator Hill this afternoon a question about Defence Force personnel—nearly 580 around this country—who are about to have a severe pay cut as a result of an administrative bungle by the Defence Force. This is not the first time that our troops have had to put up with inconsistent advice on their pay and conditions. It happened back in July and August with advice about income tax exemptions in relation to allowances that were paid to officers in East Timor. It has come to our attention that back in 1999 there were a number of clerical and storeman troops in the trades area who were paid at the same pay rate, in the same pay group, as the rifleman’s trades. I understand that was in a discussion, a review, that was held back in 1999. As a result of that, we had an agreement in 2001 that the RA infantry clerks and storemen would be paid at a higher rate than the Defence Force Remuneration Tribunal would have determined. I suppose that was a handshake or an agreement—whatever you call it in the Army. It certainly was not a Defence Force Remuneration Tribunal determination. Nothing was done back in 2001 to correct that, to ensure it was a determination or to put any legality into that agreement at all. So, after the best part of three or four years, the 580 troops who are affected by this decision have now been told: ‘Oops, sorry, we have made a mistake here, we cannot actually keep paying you at this rate. As soon as possible you will have your pay cut.’
Senator Marshall interjecting—

Senator Hill—I thought I would get some benefit from this.

Senator CROSSIN—You need to get some benefit from this, Minister, because when I asked you about this you seemed to have a ‘don’t know, don’t care’ attitude and you were going to handball it off to Ms Danna Vale.

Senator Hill—I thought I might get a bit of information.

The DEPUTY PRESIDENT—Minister, if you listen, you might find out.

Senator CROSSIN—It is an issue that does need your attention; it does need to be rectified.

Senator Hill—Who told them?

Senator CROSSIN—They were informed of this by one of the major generals in a memo dated 2 September 2003, so it is an official communication that has been sent to these people. It says that at a recent meeting:

The resulting position was ... soldiers employed outside the terms of the determination and outside of the 2001 agreement should revert as soon as possible (48 soldiers)—

to a lower pay level. It continued:

Soldiers employed outside the terms of the determination but in accordance with 2001 agreement should revert on 31 Dec 03 (~530 soldiers).

What we have got here, though, is a case of simply mishandling, once again, the pay and conditions of the foot soldiers in our Army. As someone said to me on the telephone yesterday, these are the grunts, basically—these are the people who are actually part of the engine room of the Army. Rather than simply saying to these people, ‘We have made an administrative mistake; we will put a fence around you and you will stay on the pay level you are on and we will seek to rectify it. (Time expired)

Question agreed to.

DOCUMENTS
Auditor-General's Reports
Report No. 5 of 2003-04


BUDGET
Consideration by Legislation Committees
Additional Information

Senator FERRIS (South Australia) (3.31 p.m.)—On behalf of the Chair of the Environment, Communications, Information Technology and the Arts Legislation Committee, Senator Eggleston, I present additional information received by the committee relating to hearings on the budget estimates for 2003-04.

COMMITTEES
Legal and Constitutional References Committee
Membership

The DEPUTY PRESIDENT—Order! The President has received a letter from a party leader seeking a variation to the membership of a committee.

Senator HILL (South Australia—Minister for Defence) (3.32 p.m.)—by leave—I move:

That Senator Murray replace Senator Greig on the Legal and Constitutional References Committee for the committee’s inquiry into the State Elections (One Vote, One Value) Bill 2001 [2002].

Question agreed to.

RURAL AND REGIONAL AUSTRALIA

Senator FORSHAW (New South Wales) (3.32 p.m.)—At the request of Senator O’Brien, I move:
That the Senate—

(a) notes, with grave concern, the crisis enveloping rural and regional Australia;

(b) condemns the Howard Government for its neglect of rural and regional Australians, in particular, its failure to:

(i) adequately respond to the growing drought,

(ii) provide timely and appropriate assistance to the sugar industry, and

(iii) support essential services including health, banking, employment and telecommunications; and

(c) calls on the Howard Government to reverse its neglect of rural and regional communities.

It gives me great pleasure to move this motion standing in the name of Senator O’Brien. The motion has been on the Notice Paper for some time. Indeed, it was first given on 13 November 2002. It still remains extremely relevant today. Senator O’Brien is in Cancun, Mexico, arguing in support of trade liberalisation on behalf of Australian farmers. That fact in itself reinforces both the importance and timeliness of this debate. In contrast to those opposite—and I note the absence of any member of the National Party in the chamber whilst this issue is being debated—we believe that the Doha Round is a key opportunity to help expand marketing opportunities. That is why Senator O’Brien is in Mexico pushing our case.

Despite welcome rains across large sections of this country and despite forecasts of a very large grain crop this season, people living outside our cities still face many and significant challenges. Certainly the livestock sectors face a difficult period ahead as they work to rebuild sheep flocks and cattle herds. Workers in regional meatworks face equally tough times as shifts are cut or plants close due to a lack of available stock. I do not think we will get an argument from the other side—particularly from Senator Hefernan, a Liberal senator with farming interests who has just come into the chamber—that things are still very tough out there and that this debate is timely.

One thing that has changed since notice of this motion was given is that the widespread rain has given many people in rural Australia reason to have hope and optimism about the future. As one who spends a lot of time visiting rural electorates in New South Wales, the thing that always strikes me about country people is that they always have hope. Even in the most desperate of times they cling to hope. It is pleasing to see that the rains have come in some areas and increased that hope and optimism.

But our grave concern about the plight of many in the bush, expressed in the terms of this motion, remains relevant today. We are gravely concerned about rural Australia, not only because of the severe, ongoing impact of the drought, but also because the responsibility for ensuring the right policy settings to advance the interests of the bush remains with the National Party. I notice they still have not turned up—

Senator Ferris—When were you last in the bush?

Senator FORSHAW—A week ago, Senator Ferris, to answer your question.

Senator Ferris—A new experience for you!

Senator FORSHAW—We are gravely concerned because the National Party is charged with administering the agricultural portfolio. The arrangement within the coalition whereby the National Party manages rural issues, despite the fact that many members of the Liberal Party represent a number of regional electorates, puts rural Australians at a significant disadvantage. The proof of that statement is easily confirmed by casting an eye around this place. When I wrote that sentence I thought I would look around and
see a National Party senator, but I cannot. They are still not here.

There are just three National Party representatives in the Senate and for years none of those senators have made any real contribution in this place. I wait with interest to hear the words of Senator Boswell when he speaks later in this debate. I acknowledge that Senator Boswell is a hard worker for the bush, for his constituents, but politics is all about outcomes. Being in government is about achieving outcomes and the National Party continues to fail that test. That is why the National Party can now meet in a phone box, with room to spare. If Liberal Party members and the Prime Minister get their way and sell Telstra, there will not be a phone box left for them to meet in.

The ineffectiveness and the dithering that characterises the National Party was again brought into sharp relief this week by the performance of the Leader of the National Party, Mr Anderson. Last Wednesday evening, after nearly a year of deliberation, contemplation and reflection, the Deputy Prime Minister and Leader of the National Party, Mr Anderson, told the Minister for Trade, Mr Vailé, that he was going to pull the pin. He rang Mr Vailé, who was in Cambodia at the time, to give him the good news. Mr Vailé was told he was about to become the Leader of the National Party and therefore the Deputy Prime Minister of Australia. One would expect that call to be the end point of the process of consultation and deliberation undertaken by Mr Anderson about his future. One would expect that before he made such a call to his colleague Mr Anderson would have settled in his own mind what he planned to do. Information that was leaked by Mr Vailé suggested that, on the face of it, all the deliberating had been done and all the consultations with family, friends and colleagues, including an increasingly frustrated Prime Minister, had been exhausted. Not only was a decision made but a plan to implement that decision was outlined. According to the Vailé leaks, the plan was for Mr Anderson to announce next Wednesday or Thursday his decision to step down. That would give Mr Vailé time to get back to Canberra from Mexico. But just 48 hours after the phone call Mr Anderson decided to put the pin back in place.

There are a number of theories doing the rounds as to why Mr Anderson behaved as he did. It has been suggested that some hitherto unknown skeleton in Mr Vailé’s closet emerged. It has also been suggested that there is no competent replacement for Mr Vailé, as Deputy Leader of the National Party, within the National Party itself. Indeed, the list of candidates to take Mr Vailé’s job was as long as the National Party parliamentary membership itself. That is not terribly long, but that is how long this list was. There was no shortlist; they were all on the list. The official frontrunner was Mr Truss, but he was at long odds and they were getting even longer. Mr Anderson’s dithering is the most likely explanation for this bizarre episode. At a time when the bush is in crisis, we now have the Leader of the National Party not knowing whether to stay in parliament or to leave. We have an aggressively ambitious deputy leader who is now firmly focused on his own interests, on his own future political career, and we have daylight between Mr Vailé and the rest of the National Party when it comes to competence.

Where are the interests of the farmers in all of this? The interests of the farmers are a long way down the National Party’s agenda. It is important not to single out Mr Anderson, however, in regard to dithering, because his colleague Mr Truss has turned dithering into an art form. It is this dithering approach that has compounded the problems facing people living in rural and regional Australia. Mr Truss’s administration of the agriculture
The portfolio can best be summed up as inactive. He is a serial procrastinator. I want to highlight some examples already well known to some senators, especially Liberal senators on the Rural and Regional Affairs and Transport Legislation Committee. It was clear to the minister as early as April 2001 that Australian beef exporters would fill the US beef quota in 2002. We are talking about a key rural industry here, worth billions of dollars, and a market that accounts for more than 40 per cent of our exports. It was clear that the minister needed to develop a plan to manage that quota. What followed was nothing short of a shambles, characterised by months of indecision and confusion. This cost the industry and the rural economy dearly, and it was the Senate that had to step in eventually to fix the problem.

There is no doubt about the importance of the grain industry to this country. An important part of that industry has been the export single desk and the monitoring of that arrangement by the Wheat Export Authority. The Minister for Agriculture, Fisheries and Forestry, Mr Truss, was advised by his own department in January 2000 that the Wheat Export Authority did not have the necessary power to properly oversee the management of the single desk. The authority wrote to Mr Truss in April of that year raising concerns, based on legal advice, about its own powers, but the minister took no action. The Wheat Export Authority just bumbled along, spending growers’ money. Again it was the Senate that stepped in to fix the problem, but that did not happen until $6 million of industry funds had been spent, with no return.

The wool industry is another of our great agricultural industries. The wool industry has been under pressure for some time. Mr Truss oversaw changed industry arrangements that came into full effect back in 2001. Part of that new structure was the establishment of Australian Wool Innovation, a private company that focuses on research and development and is funded largely from grower levies and taxpayer funds.

The key growers body, WoolProducers, raised very serious concerns about the administration of Australian Wool Innovation directly with Mr Truss by way of a letter dated 4 February 2002. Attached to that letter was a schedule that listed a number of alarming allegations, to say the least, about the way in which Australian Wool Innovation had been operating. That letter also requested a meeting, which did not happen until six months later. Meanwhile, both grower levy funds and taxpayers’ funds appear to have been spent without regard to the interests of woolgrowers.

I turn to the sugar industry, an industry that is in crisis. On 10 September last year, Mr Truss announced a grand plan—and a new tax—to save the sugar industry, but little or nothing has happened since then despite the crisis still confronting canegrowers in Queensland and northern New South Wales. Mr Truss has effectively tied up tens of millions of dollars that were allocated to assist this major export industry onto a long-term sustainable path. There is one example, however, where Mr Truss did not dither—where he was quick into action—and that was in relation to genetically modified crops. Indeed, Mr Truss appears to have had a rush of blood over GM crops. The minister set in train a series of important studies back in July 2001, including work on how GM and non-GM crops might be segregated. That work is not due for completion until the second half of 2004, but the minister has chosen to pre-empt his own sensible process by going out and pushing GM crops with almost gay abandon. He is not waiting for his report; he has jumped the gun.

Mr Truss has failed in a number of key important industry areas to undertake effec-
tive policy development that will advance the interests of Australian farmers. He has failed to properly oversee the administration of the Agriculture, Forestry and Fisheries portfolio. There clearly is an ongoing crisis in rural Australia, particularly with regard to agriculture, and this minister is contributing to that crisis getting worse. It is about time that the government got its house in order, the National Party got its house in order and Mr Truss was relieved of his responsibilities in the agriculture portfolio.

Senator FERRIS (South Australia) (3.47 p.m.)—On 13 November last year, the shadow minister for agriculture, Senator Kerry O’Brien, gave a notice of motion to the Senate. That notice of motion, which we are debating today, sought to address the crisis he claimed was enveloping rural and regional Australia. That motion condemned the government for allegedly neglecting to provide support for rural and regional communities in the growing drought. Today, 46 parliamentary sitting days later—and in the absence of Senator Kerry O’Brien, the shadow minister for agriculture—this motion is being debated. When I say ‘debated’, I am not sure that the spray about the National Party by Senator Forshaw could actually be characterised as a debate, but let us be generous and say that that was a modest contribution by Senator Forshaw.

When Senator O’Brien moved this motion, No. 258 on the Notice Paper, there was no doubt that Australia was in the grip of the worst drought in 100 years. The country was in the grip of a long, hot, dry spring and similarly the summer that followed. For most of Australia, there was no harvest. The Senate this morning considered motion No. 583—325 motions later—and, in the absence of the shadow minister, those opposite decided to debate a motion on what was then a dreadful drought. Today the Labor Party is simply going through the motions.

Senator Forshaw said that this is a very timely debate. It was timely when Australia was in the worst drought in 100 years. Senator Forshaw said that the opposition was gravely concerned. We were all gravely concerned last November. Today’s speech had not a single skerrick of policy on the drought, rural Australia, regional Australia, exceptional circumstances or pretty much anything else. What was Senator O’Brien doing in November last year, when this motion was first listed on the Notice Paper as a matter of some urgency because Australia was approaching what then turned out to be one of the worst droughts in 100 years?

On 19 November, just a week after this motion was listed on the Notice Paper, Labor released a six-point national drought plan which included calls to ‘cut through the red tape’ and to ‘stop the buck passing and squabbling’. The plan said that we want to ‘work with the states to streamline the exceptional circumstances application process’ and ‘to ensure a whole-of-government approach to drought policy’. Very commendable words—and if Senator O’Brien were here today I would congratulate him on those words. But what was Senator O’Brien doing—not just saying—to ensure the Labor states were working to stop the buck-passing, to get rid of the squabbling, to cut through the red tape and to help Australia’s suffering farmers? He was doing nothing—absolutely nothing. Two days before this motion was moved back in November, AAP reported the following:

Not one cent of EC money has flowed from Canberra, and farmers were hurting.

That was Bob Carr, soon to be Labor leader in Canberra. But within hours Bob Carr had back-flipped, and the AAP said:

The only action by the federal government has seen just 17 households assisted in the whole of NSW with $170 a week payments from the Newstart allowance.
The following morning, on 12 November, Mr Carr told Steve Price’s breakfast show that the farmers of Brewarrina and Bourke had received not a cent in drought relief. Plain wrong again. The truth of the matter was that Bourke and Brewarrina farmers were receiving exceptional circumstances assistance. They were getting relief payments backdated to 19 September, just a week after New South Wales submitted their only application for exceptional circumstances to that date. Talk about buck-passing! Talk about red tape and squabbling! And talk about Labor policy paralysis! Talk about no action—just empty words.

At the time, EC drought relief payments were flowing to more than 1,300 farmers in four states, with a further 1,000 receiving welfare assistance under the Farm Help program. Had Senator O’Brien been pushing Mr Carr and other Labor premiers then to sign up to the federal government’s exceptional circumstances reform, the system would have been—as Senator Carr now calls for in his 10-month-old motion—more streamlined and more generous. By the release of Labor’s six-point plan, the states had promised only $55 million and spent much less over the life of the drought. Senator O’Brien and Mr Crean should have been directing their efforts in encouraging the states to get rid of the buck-passing, the squabbling and the red tape but, instead, what were they doing? Absolutely nothing. By the end of last year, the state governments—Senator O’Brien’s political friends—had committed only $1 for every $25 offered by the Commonwealth. Shame, Senator Forshaw, shame!

And what was Senator O’Brien doing at this time to ensure that state governments acted to turn around their tardiness on exceptional circumstances applications? Nothing—absolutely nothing. When Premier Carr arrives in Canberra to take over this disenchanted opposition, maybe he and Senator O’Brien, when he returns, can not just sit down and have a chat about how they can actually deliver something—not just get on the ABC or Steve Price’s breakfast program or put out a press release or ring up AAP—but sit down together and do something about it so that never again do farmers in this country have to put up with the scraping and the begging that went on to our state governments while they kept their purses firmly shut. It was a shameful performance.

Let us not forget that many of these state governments at this time were not only providing paltry or no assistance to farmers in need but—

Senator Forshaw—Poultry? Poultry?

Senator FERRIS—in most instances, they were imposing new taxes and charges on drought stricken farmers at a time when they could least afford it.

Senator Forshaw—I think you might have Newcastle disease.

Senator FERRIS—you can laugh, Senator Forshaw. You can sit there and laugh as we talk about people who contribute to the wealth of this country. They contribute to the wealth of this country—and if you think, Senator Forshaw, that that is a laughing matter, you go out to the country and you laugh at them.

Senator Forshaw—I rise on a point of order, Mr Deputy President. Senator Ferris should be directing her remarks through you, the chair.

The DEPUTY PRESIDENT—Senator Forshaw, resume your seat. There is no point of order. Senator Ferris, your comments should be addressed to the chair.

CHAMBER
Senator FERRIS—Quite so, Mr Deputy President.

Senator Heffernan—I rise on a point of order, Mr Deputy President. If Senator Forshaw cannot stand the pressure from this ferocious attack, he should leave the chamber instead of making points of order.

The DEPUTY PRESIDENT—Senator Heffernan, you know there is no point of order there.

Senator Patterson—Paltry—it was a paltry one.

Senator Forshaw—A poultry one?

The DEPUTY PRESIDENT—Senator Forshaw, Senator Ferris deserves to be heard in silence.

Senator FERRIS—If Senator Forshaw were to go out into the country, he would be a plucked duck.

The DEPUTY PRESIDENT—Senator Ferris, I ask you to withdraw that imputation on Senator Forshaw.

Senator FERRIS—I withdraw.

The DEPUTY PRESIDENT—Thank you, Senator Ferris.

Senator FERRIS—The last Victorian state budget included increases in 300 state taxes, many of which fell very heavily on farmers. A recent report in Queensland sets out over 800 new taxes and tax rises that the Queensland government has introduced since the election of Premier Beattie. Many of these taxes were particularly targeted at farmers, and now the Queensland state government has introduced a new charge for farmers moving their cattle from one property to another.

These are political colleagues of Senator O’Brien and Senator Forshaw, and these are the senators who are talking about relief for farmers. There are increased freight rates for moving precious hay and fodder to drought stricken areas and an incredible new tax on farm dams. Can you believe that? Many farm dams are absolutely empty because of the drought—and Premier Beattie has imposed a new government tax. Is this a man that cares about the wealth generators of this country? Hang your head, Senator Forshaw. Why won’t Senator O’Brien and those opposite stand up to those Labor colleagues, those political mates, and demand a better deal for farmers—and indeed for all Australian regional taxpayers?

Let us look at what the Howard government actually did provide during the worst drought in 100 years: the much needed relief for drought stricken farm families and those in the regional towns who very importantly provide the services for regional and rural Australians. When the responses of the state governments were so disappointing, not only in relation to their own drought assistance measures but also in their unwillingness to support drought policy reform, the federal government pressed ahead. We moved quickly to enhance those parts of EC policy to assist rural families to cope with the worsening drought and to provide speedy relief to the neediest farmers. These enhancements included the provision of immediate income support, once an EC application had been referred to the National Rural Advisory Council for assessment, and the use of predictive analysis in the assessment process—a very important streamlining of the NRAC provisions.

As a result, over the last eight months, the Australian government has processed and supported an unprecedented number of exceptional circumstances applications. In all, 59 applications—a record number—were made nationally since September 2002 and decisions have been made on 45 of them so far. The remaining applications have been received only in the last eight weeks. Decisions are expected shortly on the outstanding
applications as the average time currently required for full assessment is about eight weeks from the date of the application, which is around half the time taken to assess and make decisions on EC applications in previous years when those opposite were in government and claiming to be caring for farmers and our country. Hang your heads.

Of the 45 EC 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 care cards, family payments, youth allowance—where it is appropriate—and Austudy as well as business support through interest rate subsidies of up to 50 per cent. For the current drought, the most recent figures show that over 23,000 applications for income support under EC arrangements and the 9 December package of last year have now been approved. More than 6,700 applications for interest rate subsidies have also been approved. The Australian government’s current expenditure for needy farmers amounts to—listen to this, Senator Forshaw—$249 million. That is no paltry amount, I might say.

The number of recipients and the level of Australian government commitment will continue to rise strongly as new applications are processed. I ask Senator Forshaw to listen carefully to these figures, because I think they demonstrate more clearly than anything else does the commitment of this government to rural and regional Australia. Together with other initiatives announced last year, drought assistance and existing exceptional circumstances arrangements are expected to cost the Australian government around $1 billion over three to four years. I repeat: $1 billion. Overall, more than 29,700 applications for interim income support, EC relief payments or interest rate subsidies have now been approved and the number is still growing as the drought continues to affect those parts of Australia still desperately looking for rain.

The drought assistance packages and existing EC arrangements are expected to cost the Australian government around 10 times the amount of funding that all state Labor governments—the political colleagues of those opposite—have announced in total. The Labor Party has the cheek to come in here and criticise this government for the expenditure on drought relief measures. Hang your head, Senator Forshaw. Already, a quarter of a billion dollars has been spent and expenditure on drought assistance is running at $10 million every week to regional and rural families still in the grip of drought; still looking for rain so that they can have a harvest, feed their stock and get some water in their dams.

In addition, in response to the drought, the Australian government has relaxed the 12-month waiting time for access to farm management deposits for farmers eligible for EC assistance. This was a most important policy initiative introduced by this government when we came to office in 1996 and was welcomed by the farming community. The total farm management deposits cost concessions to the government have been estimated by Treasury to be worth a further $470 million.

Other Australian government initiatives include a $14 million package announced last November to assist in the delivery of personal counselling services, drought related environmental and pest eradication projects, and emergency assistance through the Country Women’s Association. So, at the time when Senator O’Brien gave notice of this motion to the Senate calling on the government to address the issues confronting rural and regional Australia, we were putting together—and subsequently announced—a $14 million package covering personal coun-
selling and environmental and pest eradication projects, which is something perhaps that Senator O’Brien would like to address when he returns.

As well, in September last year, the Minister for Agriculture, Fisheries and Forestry announced other significant new measures to apply permanently to EC to streamline the flow of Australian government assistance. Interim support is now available in application areas from the day it is deemed that a prima facie case has been established by the applicant state. Prior to this, farmers had to wait until NRAC completed a full assessment—that was under your government, Senator Forshaw. Predictive modelling is now being used where possible to enable applications to be considered more quickly. An early warning system has been developed by government to help farmers in future by alerting them to oncoming dry spells. The federal government will spend $700,000 to fund these two programs.

Senator Forshaw, you have come in here and given the National Party a spray, pretending that you are gravely concerned and trying to claim that a nine-month-old notice of motion, hundreds of motions ago, is timely. It is a joke which rural Australia will be onto like a shot. I notice that Senator O’Brien’s senior adviser, a well-known and very competent speech writer, was in here with what looked suspiciously like a speech for you. That was very generous of Senator O’Brien, given his absence. I have no doubt that if Senator O’Brien had been here he would have addressed the issue of this drought and the timely circumstances in which the government confronted it and not come in and given a silly, ill-conceived and ill-deserved spray to the National Party.

Senator Allison (Victoria) (4.08 p.m.)—I rise to join this important debate today on the crisis in regional and rural Australia. There is a crisis. Senator Ferris may suggest that this is all the fault of Premier Beattie, Premier Carr or one of the other Labor premiers but we know that issues such as access to good quality water for farmers and the problem of salinisation on their land are creeping, urgent and serious problems in this country—but we are still opening up irrigation land right along the Murray River. We are still not listening to what our land is telling us—and that is that you cannot keep pouring water onto land which has salt in the soil and not expect it to rise to the surface. We also have a situation where much of the topsoil of our country has been blown away because of over-farming, and droughts have brought this kind of practice to a crisis point.

I notice in this debate there has not been a lot of acknowledgment of the problems farmers will face well into the future as a result of global warming. We talk about droughts as if they are just part of a cycle we have to put up with and that we should throw a bit of assistance package money at them and the droughts will eventually go away.

Senator Heffernan—They are part of a cycle.

Senator Allison—Senator Heffernan says that the droughts are part of a cycle. I know they have been but in future those cycles may become much shorter, droughts may become much longer and global warming may make a major difference to our climate. And farmers will be the ones who will suffer. Senator Heffernan, maybe farmers in North Queensland and Gippsland will get more water but scientists have been telling us for a long time that in the rest of the country our farmers are going to be seriously affected. You would think that a government concerned about farmers and rural areas would be saying, ‘What can we do to reduce greenhouse emissions?’ What do we do? We say, ‘We’re going to do almost nothing until
Third World countries have signed on to the Kyoto protocol."

I have spent quite a lot of time going through reports that have been undertaken both in the Senate and in the other place, looking at the position of regional and rural disadvantage. One report recently looked specifically at poverty and made the point that regional and rural Australia had been surveyed, inquired into and investigated out. The report found that there were plenty of words floating around on what was wrong with rural areas but not too many by way of long-term sustainable solutions. The issues are on the table and whilst it has to be recognised that they are not insignificant it should also be recognised that they are not so big that they cannot be addressed. Obviously global warming is an issue that we need to cooperate on worldwide but there are other issues that we can tackle as communities at the local level, at the state level and, importantly, at the federal level.

This means that we have to, as a nation, start thinking about how to achieve sustainable livelihoods and sustainable communities. That means we have to think about what actions we can undertake to address community economic development and look at social capital and social inclusion. This process starts with governments applying the so-called ‘triple bottom line’—in other words, social, economic, and environmental sustainability—in all parts of the economy. Many of our rural towns are characterised by ageing populations, loss of business opportunities and declining financial prosperity. There is a myth—and it is a myth—that globalisation and the opening up of our markets will bring significant benefits directly to our regional areas. That is a myth because as economies grow and become more prosperous a lesser proportion of this wealth is spent in the agricultural area. As we grow and prosper we discover that it is easier to make profits and it is easier to prosper if we have fewer families dependent on farming income and we consolidate properties so that we are moving people out and profits in. Often those profits then move straight out of those rural economies into the big cities.

I would also like to point to the work of my colleague Senator John Cherry, who, in his first speech in this place, pointed out what supermarkets because of their monopolistic powers were now able to extract out of our agricultural industry in the domestic market and how they were able to drive the prices down for farmers. We have seen even more recently an exacerbation of that problem. In other words, the dollar is being spent by the consumer but it is not reaching the farmer. In my own state of Victoria the dairy farming industry, for instance, is finding that farmers get less money at the farm gate and yet consumers are paying more at the supermarket for their product. It just is not fair and yet we have seen very little effort on the part of the government to stop that happening.

For regional and rural economies to be able to survive into the future they need to skill up their work forces, they need to have access to other forms of income and they need to create new and alternative economic opportunities. That is not so easy. If you are dealing with a drought or if your town or your community is in a downward economic spiral, it is not such an easy thing to do. It needs government assistance, it needs leadership and it needs someone to show the way. But we could have this, of course, in the form of technological access. What a joke that is! We are selling Telstra, yet most of the country still does not have access to broadband, certainly not access to affordable and reliable broadband services. Nonetheless, we are proceeding down the path of selling Telstra. The country needs access to technology. You cannot have a whole country sector which is missing out on the sort of
It also needs new market opportunities and it needs tourism. I have spent a lot of time in the country, particularly in Victoria, and a lot of small towns see tourism as their way out of a downward economic spiral. I must say I have wondered about these hopes that communities have, because very often they are not supported at other levels, and I can see a lot of effort going into attracting tourism which just does not come to anything at the end of the day.

These advances need to be made along with advances in making agricultural production more efficient and sustainable. We certainly need to do much better with irrigation. So much water is wasted in channels through evaporation and in going into aquifers, driving up water tables—all for the want of more investment in irrigation techniques. We have to get away from this process of sending water around our agricultural areas in open channels where it evaporates and where it seeps into the groundwater, forcing water tables up and causing salinity problems. We really have not come to grips with that problem around this country.

We also need intellectual development for people in these areas. That has to be driven, in the main, by training and education opportunities. This would mean, for those who are supposed to be developing good policy for now and into the future, that investment in education must be a necessity, and all that can be done to facilitate this should be being done. Distance is a major issue for education for those who do not live in the metropolitan or urban areas of Australia. As many in this chamber will know, it was put very clearly by a representative of the New South Wales Country Women’s Association to a Senate inquiry in 2002, when she said:

Our country towns have already lost their young people, and that is our fault. We educate our kids out of our country towns; there is no doubt about it.

It is a conundrum; it is a very difficult problem for people in country areas. There is nothing there at the end of the day for their children, but they still need to educate them and sometimes that means sending them to the city for that education.

There has been a decline in the number of people from rural and regional areas that are participating in higher education in proportion to the rest of the country. The Human Rights and Equal Opportunity Commission in 2000 registered 17 per cent of rural people taking a place in our universities despite constituting almost one-third of our school students. That is almost half the number of places that country people should be entitled to in higher education. There are very serious concerns there.

It brings me to the question of attracting doctors and teachers and other professions to country areas. If you are not bringing into higher education the same proportion of people in country areas as you are in metropolitan areas, you cannot expect them to go and practise in the country. We need to be recruiting rural students, bearing in mind that their access to information, their access to good, broad curriculum and their access to well-trained teachers is often limited. It becomes a cycle which repeats itself over and over again. We are never going to solve this problem until we start recruiting young country people into university education.

Only one-third of full-time uni students are receiving some form of government assistance. What follows from this is that parental ability to pay becomes the determinant of whether or not a person is further educated. Obviously, if you have all the prosperity in city areas, you are not going to get that
connection between the ability to pay and access to education. We would argue that that access should be there regardless of ability to pay and that our public schools in country areas and elsewhere should be resourced to the same level as private schools so that kids get a good education no matter what system they are in. Making connection with technological services and higher education will be the only way of turning the globalisation myth into employment and business opportunities for regional and rural Australia.

I would also like to make mention of a major service problem in country areas—the decline of banking services. Between 1990 and 2000 non-metropolitan Australia has seen a loss of over 700 branches. Many of these were in remote communities and now these people simply do not have access to banking services at all. People are travelling hundreds of kilometres just to get these basic services. Without the credit unions and the Bendigo Banks of this world, the numbers of people who would miss out on these basic services would be a hundred times more than we currently have. I take this opportunity of congratulating those organisations for the great work they do in working with communities in country areas. But, of course, they cannot cover every area. The Commonwealth Bank used to lead that charge; it used to provide services in country areas. That institution, of course, not all that long ago, was in public ownership. Since it was privatised—

Senator Boswell—Who sold that out? It was the Labor Party!

Senator ALLISON—The Labor Party sold that out. They are just like the coalition, Senator Boswell; they do not care too much about public ownership. As I said a little earlier—when you were not here, Senator Boswell—we will soon be asked in this place to vote again on the sale of the remaining half of Telstra. We have been told by the government that regional and rural Australia will be better off with Telstra in private hands. What nonsense we know that is. As I said earlier, broadband services are not affordable and they are not likely to be under a privatised Telstra. Subsidies might last for a little while but, as we all know, they drop off. When the next budget that is looking to scrape a bit of money back comes along the subsidies will disappear. They have a life of their own and they will not be around for too much longer. Mobile phone services that do not drop out would be a good thing for country areas, but we are not there yet. We still have telephone wires draped across haystacks and farm fences that get chopped up when the tractor goes over them.

Senator Boswell—Who wrote this nonsense for you?

Senator ALLISON—We have had submissions along these lines. I have actually had letters from people—

Senator Boswell—Your mother?

Senator ALLISON—No, farmers write to me. You would be surprised, Senator Boswell. Farmers write to me and tell me they have been waiting for years for Telstra to come along and stick the telephone lines up on poles because it is a nuisance for them.

Senator Boswell—Tell them to ring me and I will fix it up.

Senator ALLISON—I will do that, Senator Boswell. I will send you my file of these people. We have Roads to Recovery. What a great concept that was! It only managed to fund about a quarter—I think that is the right figure—of all the work that needs to be done for roads in country areas, specifically for bridges. We know it was a short-term grants program.

Senator McGauran—it wasn’t for bridges; it was for roads.
Senator ALLISON—It was for roads and bridges, as I understand it. You correct me if I am wrong, Senator Boswell, but that money has run out. That is what happens—you have grant moneys that you rely on to prop up country areas and they run out. There is an end to the program. Every government, yours included, will need to have a new announcement somewhere else down the track—a bright new idea that they can release and make a fuss about.

Senator McGauran—You are just creating a problem.

Senator ALLISON—Senator McGauran, if you do not think that the fact the Roads to Recovery program is finishing is a problem, then I am sure a lot of Victorians will be pleased to hear that. But it is my experience that this is leaving a major hole in the funds available to local government to fix up some of those serious road problems. It was not always a problem. We now have very large vehicles on our roads that cannot negotiate those narrow roads that local communities had to depend on.

We are hearing a lot of words today about regional and rural Australians. I think the coalition is on the back foot here because those Australians have had enough of words; what they want to see is some action. It is little wonder when country people see the people who are supposed to be representing them not doing much by way of delivering on those words. I look forward, Senator Boswell, to your contribution to this debate. I hope you are going to be able to reassure country people that your government has their interests at heart—not just for packages now and again to overcome drought problems but for real, long-term, sustainable measures that will make sure that there is prosperity in our country areas and that will make the lives of people who live there better for having access to the sorts of services that we take so much for granted.

Senator McLUCAS (Queensland) (4.26 p.m.)—I also rise to support the motion standing in the name of Senator O’Brien, which provides this Senate the opportunity to discuss the crisis facing regional and rural Australia and the failure of the government to address the crisis. I am particularly concerned about the consequences in my home state of Queensland, given the complete failure of the government’s sugar reform package, which was passed in this chamber about a year ago. The sugar industry, as we know, needed a comprehensive policy framework and a workable reform package. They needed a government that was prepared to roll up its sleeves and get on with the job of implementing it. The cane farmers and the communities they work within that I represent needed this more than 12 months ago.

What do they have instead? Instead we have seen an indecisive and cowardly government which has been fiddling while the cane has been burning—a government that seems content to sit back and watch the future of thousands of families dependent on the industry simply go up in smoke, all because not one of the ministers, MPs or senators who should be stepping up to the mark and showing leadership on this issue is prepared to do so. At the time this package was implemented, Canegrowers, the peak body representing some 6,000 Queensland cane growers, expressed serious reservations that the sugar industry assistance package would not deliver the outcomes that were sought by government and industry. The General Manager of Canegrowers, Mr Ian Ballantyne, said at the time:

The board expresses extreme disappointment ... Grower representatives are gravely concerned ... The industry’s immediate future will remain under threat ... The viability of entire mills and
The Howard government, in its inertia on this issue, has delivered nothing thus far that would cause Mr Ballantyne to change his view.

Let us consider the centrepiece of the reform package. The $60 million program for regional adjustment, which is critical to help build a future for the industry, has not progressed. Why has it been delayed? Is it because the overarching Sugar Industry Guidance Group, chaired by Mr Bob Granger, which was set up in January, did not deliver the industry reform plan on time? No, they were charged with presenting an industry reform plan by 30 June and they delivered this plan to the government on time. What has happened to the Sugar Industry Guidance Group’s plan? It clearly is sitting on the desk of Minister Truss. Maybe it is not, but I will go into that later.

It has been sitting on someone’s desk for 2½ months now and no money is flowing into the region as was promised. This is despite AFFA’s assurance to the Senate estimates committee on 26 May this year that the money had been provided and would be available from the beginning of the 2003-04 financial year. We know that the government is reaping the income from the sugar tax that it has imposed. It has been sitting on the desk of Minister Truss despite the fact that the Prime Minister obviously decided early on in this messie process that Minister Truss was not competent to deal with the sugar issue without help. Although Senator Ian Macdonald is not directly responsible for sugar, the government announced on 22 January that he was going to meet with Mr Granger in order to assist Minister Truss with this very important issue.

So now we have had two of the Howard government’s ministers working on sugar industry reform. A year has passed, the guidance group has delivered its plan and still not one penny of the much needed regional adjustment package has been spent in Queensland. It does make one wonder where the IGG report is. Is it on the desk of Minister Truss or Minister Macdonald, is it in the PM’s office, or is it somewhere in transit?

The $60 million package for regional adjustment has been delayed by the Prime Minister refusing to agree to support the Queensland government’s legislation that was introduced in the Queensland parliament in April of this year. AAP reported on 20 August that federal coalition MPs in sugar industry seats met in Canberra on that day to discuss a response to the bill. On the same day, Queensland’s primary industries minister, Henry Palaszczuk, told state parliament that ‘the status quo was killing the sugar industry, with price projections well below the cost of production’. He also said—and I agree with him—that ‘rebuilding the sugar industry will not happen overnight but we must get to work and get to work soon’.

Up in North Queensland we have hardly seen any work, let alone any results from the plethora of senior government figures involved in this sorry mess. It begs the question as to just who is running the sugar industry reform package. Mr Truss made the announcements, dribbling out the details over a number of weeks. We had Mrs De-Anne Kelly chairing the federal coalition’s sugar task force, which has continually sent mixed messages both to industry and to the Queensland government. We had Senator Ian Macdonald in his media release of 22 January all but admitting that the Prime Minister had asked him to meet with the chair of the IGG, seemingly because Mr Truss had lost the confidence of the Prime Minister.

Minister Truss’s administration of the package has been a disaster from start to fin-
He could not even meet his promise to the parliament and to struggling cane growing families to deliver income support on time. In September last year he emphatically announced that income support payments worth up to $36 million would be payable to eligible producers for 12 months from 1 October 2002. On 9 October Senator O’Brien had to shame him into action by revealing that Centrelink knew absolutely nothing about this income support—nine days after the minister had promised funds would be reaching needy cane farmers.

We are now reaching a desperate situation, because nothing has been done on the ground and no details of the regional adjustment package have been release, yet the interim income support measures are due to stop on 1 October. What is going to happen to those cane farmers, their families and the communities that are effectively relying on this interim support after 1 October? That is in three weeks time—and we were talking about the timeliness of this debate earlier. I am saddened also to report to the chamber that the spot price for sugar for October 2003 is $199 a tonne, well below the $300 minimum nominated by Mr Clive Hildebrand in his report as the survival price. I am not sure whether it is heartlessness or just basic incompetence that is driving this government.

That is what coalition MPs and senators are going to have to explain when they return to the north this weekend. And they are going to be hard-pressed to do so satisfactorily because, believe me, the sugar heartland has had more than enough of being treated like second-class citizens and economic refugees. Mr Truss was so weak that he could not even get the funding from the city-focused PM and Treasurer to fund this package and, as a result, has funded it through the bluntest of all measures, a tax on food—the sugar tax, which was instituted, I have to say, with the approval of the Australian Democrats.

Labor recognised the need for support for the sugar industry, but if we had been in government we would have found the money rather than impose a sugar tax on consumers. I have to say that this is an absolute disgrace. The money has been taken from Australian consumers of sugar and has not been delivered for the purposes agreed to. The Queensland government is ready to do its bit, to contribute its $30 million and to make the amendments to Queensland’s sugar legislation demanded by the Prime Minister and agreed to in the MOU. But the Queensland government is yet to be assured that, once the legislation is passed, the Howard government will live up to its end of the funding bargain.

It is timely that the Senate is debating this motion standing in the name of Senator O’Brien, Labor’s shadow minister for primary industry, today. The sugar industry has been pleading for assistance and support for over three years. We all know that change in the rural sector is hard to achieve. It requires leadership, unity of purpose and a shared vision between the industry and the governments of the day. But the message from the federal government has not been consistent. I acknowledge Queensland’s concern that, having taken the hard decisions—some of which I do not personally agree with—the federal government will not keep up their end of the bargain. I share the disappointment of Mr Jim Pedersen, the chair of Canegrowers.

Senator Boswell interjecting—

Senator McLUCAS—He is quoted in today’s Courier-Mail, Senator Boswell. He says:

Although Canegrowers expressed serious concern about various aspects of the State Government’s proposed amendments to the Sugar Industry Act, we have always support the need for industry change, including improved marketing flexibility.
I share his disappointment and I commend the motion to the Senate.

Senator BOSWELL (Queensland—Leader of the National Party of Australia in the Senate and Parliamentary Secretary to the Minister for Transport and Regional Services) (4.36 p.m.)—Either the speech by Senator McLucas was an act of complete ignorance—and that from a woman who comes from rural Australia, which is disappointing—or she received—

Senator McLucas interjecting—

Senator BOSWELL—In your electorate, Madam, you are in more strife than Flash Gordon. I will tell you why the package never got up. It did not get up because the industry did not want it to get up. The industry said they would not cop the Labor package and they walked away from it. They said, ‘Please don’t throw us into it.’ The pleas came through from every cane grower in Queensland: ‘Please do not sell us out. Do not agree to pay any money into the Labor package. We would rather not have a package that had no arbitration.’

One of the members of the Labor Party said, ‘Look, the sugar industry will be all right. The farmers will be all right. The millers will treat them all right.’ I said, ‘Does that mean that I can go into the factory and say, “Don’t worry about the unions. The owners will treat you all right. You don’t need any unions.”?’ That member of the Labor Party could not answer. The reason the sugar package never got up was that the sugar industry said, ‘We don’t want the package if we’re going to lose the single desk. We don’t want to lose our single desk. We want an arbitration proposal that gives us some equity.’ The Labor government did not give them anything. That is why the sugar package never got up, Senator McLucas. You know it and everyone else knows it. There are 6,000 cane growers ringing up and saying, ‘Thank God the National Party stood up. We are going to support them now.’ That is what it was all about.

Let me read something from Mr Pederson, who has genuine reasons for opposing a number of the state government’s proposed changes. He says:

CANEGROWERS continues to support the need for industry change but the reality is that several key aspects of the Government’s legislative amendments have the potential to seriously disadvantage growers. We want greater certainty through the appointment of a neutral umpire to help resolve deadlocked disputes between growers and millers and to avoid a potential imbalance in market power which could result from excluding growers from vital decision-making related to value-adding and downstream marketing processes. The Government’s changes also preempted a scheduled review in 2006 of our Single Desk marketing system under National Competition Policy commitments.

The Federal Government had shared growers’ concerns, as it was entitled to do as a partner with the State in the Sugar Industry Reform Package. That is straight from Mr Pederson. If you get up there and misrepresent the sugar industry, you will suffer, Senator McLucas. You will suffer very badly. I do not think you have much to lose; the sugar industry has never greatly supported you in the past. But there are a couple of sugar seats that you will lose at the next election. What the sugar industry is saying to us is: ‘Thank you, thank you, thank you. Thank you for not throwing us into the clutches of the Labor Party.’

Let me reaffirm what happened, for the people who are not aware of the sugar industry or do not understand it. The sugar industry was in trouble. The state government said, ‘We need some assistance.’ The federal government said, ‘Yes, we will put $100 million on the table, we will put a levy on and the levy will go to a sugar package. If you go out there, Premier, and you come back to the federal government with a package that is
acceptable and wanted, we will back it.’ That was the deal. That was the memorandum of understanding. The industry said, ‘Don’t handcuff yourself to the Labor Party. Please don’t do it.’

That was the background to what happened. Then, of course, the next thing was that the state government whacked legislation into the state parliament without even coming back to us and saying what was in it. There was outrage in the sugar growing community. They said, ‘You’re selling us out on a single desk. Four years ago, we had to forgo $26 million of tariffs so we could retain our single desk. There was $26 million transferred from the sugar industry to the manufacturers in exchange for a single desk. Then you took the single desk away in the legislation.’ Then you said, ‘You don’t need an arbitrator. We’ll give you an arbitrator but you both have to agree. But if the industry does not agree with the mill, we are going down the path of the mill.’ That was when I went to the union guy or the state member of parliament. I said, ‘Well, that’s good. I’ll just go out to every factory in Australia and say, “The owners will look after you. You don’t need a union. The owners will do it.”’ That is what you expect of the sugar farmers.’

No wonder they said, ‘Don’t touch this at any price.’ Yes, they are disappointed they are not getting a package, but many growers have told me, ‘If it’s a package or our industry, dump the package. We want to retain the single desk. We want to retain some balance of power in the industry.’ For those in the Senate who do not understand the industry, this is about growing a bit of grass that has not a lot of value. You can only sell it virtually to one mill, because of the distance. You cannot take it very far because the value is not great. So you are in the hands of one mill. You cannot offer your product to a range of mills. It has virtually no value at the moment other than for sugar. We might get into ethanol if the Labor Party do not continue to trip it up and pull the rug out from under it. You must sell your product to that mill.

Many mills are cooperatives and there is no particular problem there. But some mills are not. The mills have always had a very good relationship with the growers, but it has been based on mutual power. What that legislation tried to do was strip every inch of power away from the processors and give it to the millers. That is why, instead of saying, ‘Please don’t handcuff yourself to the Labor Party,’ they said, ‘Thank goodness you handcuffed yourself to the Labor Party because you were able to prevent the package.’

I do not think the National Party’s stocks have been so high in the cane growing areas since the days of earlier governments, because they see De-Anne Kelly, Paul Neville and Warren Entsch standing up and saying, ‘We are not going to sell you down the drain. We will not sell you out; we will stand by you.’ That is what has happened.

Let me get back to the original motion. Honestly, what a stupid motion to put forward! If Senator O’Brien had been here I think the advice he would have given you is: ‘Don’t put that forward—we’re going to get a thrashing. We will get annihilated.’ And you deserve to be annihilated, because this is the most stupid motion I have ever seen put before the parliament. It says ‘adequately respond to the growing drought’. It is 12 months old! The drought has broken but that is all you guys know about it. I should say the drought is filling in—it is not completely broken—but we have put $1 billion worth of drought relief funding into the budget.

We have gone to huge amounts of trouble for the industry. In the latest budget we acknowledge that the drought has been the worst in 100 years. Its extent is shown by the fact that 65 per cent of the agricultural land
in Australia is EC or drought assisted by the government. A billion dollars is a lot of money for farmers. It shows the commitment of the National Party and the Liberal Party to rural Australia. What have you guys done? Added up, the state Labor governments have put in $250 million. That is the Labor’s Party’s whole contribution right across Australia. The coalition federal government has put in $1 billion.

Senator Forshaw—Where do you think the money comes from? Taxpayers in the states.

Senator Boswell—You had better stick to Country Labor. With you out there in Country Labor we are guaranteed to win by a country mile. You running Country Labor, if that is your total knowledge of rural Australia, is the greatest thing that could ever happen to the coalition. One of the reasons why the Independents are fairly strong in New South Wales is, very simply, that the Labor Party have totally abandoned rural New South Wales. They do not run or they put up a token candidate, find a popular mayor who is an Independent and then run dead—stone cold motherless last—and pass their preferences on to the Independent. That is how you stand up for your constituents. That is how you try to give your people representation in rural Australia. It will bite you back, Senator Forshaw, and when you are running as No. 3 on the ticket and looking for those extra few votes from rural Australia to climb in from No. 3 they will not be there. West of the range those votes will not be there.

The Acting Deputy President (Senator Chapman)—Order! Senator Boswell, I ask you to address your remarks through the chair.

Senator Boswell—Sorry, Mr Acting Deputy President. I just want the people to know how the Labor Party have abandoned them west of the Great Divide. They have virtually walked away. Their commitment is not to win—it is not even to try to win seats—but to run dead, pass their preferences on to a popular mayor and put Independents up. But every dog has its day, Senator Forshaw, and you are going to be facing your day at No. 3 on that ticket. You used to get 20, 30 or 35 per cent of the vote from rural areas. God knows why they ever voted for you, but you used to get a fair vote out there. When those votes for the Senate come in the chickens will be coming home to roost, and that is when you are going to be out of this place. You have as much chance of winning from No. 3 as pigs have of flying, and that is totally because of your state Labor Party abandoning rural Australia—walking away from it—west of the range.

Senator Forshaw—That’s why we got 10 up in the upper house of New South Wales for the first time.

Senator Boswell—For goodness sake! When those votes come in and you are hanging by your fingernails four or five weeks out and the votes continue to be counted, you are going to say, ‘The votes have got to come in from the west.’ Then when they open the ballot box you will get your 10 to 15 per cent when you should have got 30 to 35 per cent, and it will be goodbye, Senator.

I am sorry about that because personally I think you are not a bad sort of fellow. But you have made your bed and you will lie in it. It will not be a nice, comfortable Canberra bed; you will be back in that cold court trying to eke out a living, probably as a solicitor at the Public Defenders Office—that is where you will be. It sounds great and we can all have a laugh about it but I tell you this: out there in the cold world you will not have the luxury you have sitting in here.

I heard the first speaker—that was you, Senator Forshaw—having a bit of a slap at...
the National Party leader. I would like to read to you and include in *Hansard* what was written in the *Queensland Country Life* this week. The *Country Life*, for those who are not aware of it, is the bible for rural Queensland. Every farmer, every sugar grower, every cattle producer, every wheat grower and every pineapple producer gets the *Country Life*. The *Country Life* is the rural bible. It says:

But in reality, if Mr Anderson does decide to call it quits, it will be a major blow for the National Party and, in particular, to rural Australia. Mr Anderson has driven a wide range of issues, from water to vegetation, transport to roads, and rural reconstruction to regional development to great effect. While sometimes criticised on occasions for his perceived cool mannerisms, there are few more passionate and vocal about the people and the future of rural Australia. The truth is, rural Australia needs more leaders with the talent, tenacity and integrity like that possessed by John Anderson.

That is a ringing endorsement of what rural Australia think of the National Party leader. And why shouldn’t they think that? He stood up for them on the issue of trees when the Beattie government came and said, ‘You will not cut another tree down.’ When there were arguments about regrowth concerning what was and was not regrowth, Anderson came riding in with the Prime Minister and said: ‘Not on your life. You are not going to make these people wards of the state; you are not going to deprive them of a living. We will not be part of anything to do with that.’ What about water rights, which has been Anderson’s baby for the last two years?

The great success stories for the National Party and the coalition are mobile telephone coverage, Internet coverage and the policy of no long-distance calls to neighbouring electorates and neighbouring houses. A $1 billion dollar package that has gone in to rural Australia has lifted the communications in rural Australia from what was virtually a one-line system—no mobile or Internet—under which it was a long-distance call whether you rang your neighbour or the same house on the property. There is $1 billion being poured into rural Australia to bring those communications up to scratch so that, within reason, people in rural Australia can have the same communications at the same cost as the rest of Australia.

That is progress; that is a coalition government working in the interests of rural Australia. The Prime Minister and the Deputy Prime Minister know that, if you cannot have communications and are not in the loop, you cannot receive market reports and you cannot trade your cotton or do various things. So we made the decision that $1 billion would go into rural Australia for telecommunications. Do not think these things are not appreciated. They are absolutely appreciated.

While our stocks are going up—One Nation is almost finished out there at the moment—and the coalition’s stocks are going up, the Labor Party’s stocks are almost nil. When I first joined the National Party there was—

**Senator Forshaw**—It was called the Country Party.

**Senator BOSWELL**—No, it was not; it was called the National Country Party, soon to be called the National Party. When I first joined it, you could go out to rural Australia to places like Cloncurry or Longreach and there would always be a Labor Party there of some sort. They would have branch meetings the same as we did. On occasions we even used to play them at cricket and have a bit of a social game with them. But they are not even there now; they cannot even find a cricket team.

**Senator Forshaw**—I thought you thought they were communists.
Senator BOSWELL—No, we did not think they were communists; we thought they were decent working-class people that had a right to present their way. They thought the unions protected them and we acknowledge that. Those people are absolutely shattered by your support of the resolutions put up by Senator Greig on same-sex couples. They have walked away from you. (Time expired)

Senator BUCKLAND (South Australia) (4.57 p.m.)—I certainly cannot provide the entertainment that Senator Boswell did. I join the debate in support of the resolution moved by my colleague Senator Forshaw condemning the Howard government’s neglect of rural and regional communities. The resolution identifies three particular failures of the government: firstly, the failure to adequately respond to the worst drought in the century, content to watch rural industry wither while playing out an elaborate blame game with the states; secondly, the failure to provide timely and appropriate assistance to the Australian sugar industry—and, as Senator McLucas has so clearly outlined, the government has again been content to blame a state government for its own manifest failings; and, thirdly, the failure to support the provision of essential services in rural and regional communities, including health, banking, employment and telecommunications.

I want to address the failure of the Minister for Agriculture, Fisheries and Forestry, Mr Truss, to deliver good policy for rural and regional Australia. In so doing, I support Senator Forshaw’s comments about the work of the Senate Rural and Regional Affairs and Transport Legislation Committee. As noted by Senator Forshaw, this committee has done a lot of work over the past few years to fix up the mess created by Mr Truss. The committee has a central and growing role in the delivery of rural policy because the minister has abrogated his responsibilities in a range of key policy areas. Anyone who has closely followed rural policy since Mr Truss’s 1999 appointment would know that he has elevated incompetence to a high art. In my time on the rural and regional affairs legislation committee I have noted two things. The first is that the minister has proved incapable of acting on a problem at first instance. In relation to the administration of the US beef quota regulation of AWBI’s single desk marketing rights and also his oversight of the wool industry’s R&D services, Mr Truss has allowed small problems to grow into big problems, seemingly content to wait for the Rural and Regional Affairs and Transport Legislation Committee to initiate an inquiry and sort out his mess.

Time and time again, in inquiry after inquiry, the committee has heard evidence of early warnings provided to Mr Truss by industry and by his department. And time and time again, in inquiry after inquiry, the committee has heard evidence of Mr Truss turning a deaf ear to those warnings and electing not to act on them. This is not just a minor failing in a cabinet minister, particularly not in a minister charged with the responsibility of administering programs that support Australia’s rural economy. Rural and regional Australia needs an agriculture minister with a keen ear to hear their needs, not one unwilling or unable to act until a problem has escalated into a crisis.

My second observation is related to the first, and it is the failure of National Party members and senators to understand or represent the albeit declining number of voters who returned them to parliament. It is no mistake that Mr Truss is a member of the National Party—in fact, they are a perfect match for each other. When the minister and his party are returned to opposition at the next election, it will not matter much anymore, but at the moment it is a critical situa-
tion and becoming more critical by the month. It is telling that the once great National Party is represented by only three senators in this parliament. It is even more telling that the self-proclaimed champions of rural Australia are not represented on the Rural and Regional Affairs and Transport Legislation Committee. That is how much this party cares about rural Australia—not very much at all.

Although the resolution before the Senate is directed, appropriately, at the Howard government, I will note the contribution of Liberal senators to the legislation committee work. During previous debates Senator O’Brien has noted the manner in which the committee works. It does not engage in senseless partisanship; it does not, as a matter of course, deliver majority and minority reports; and it approaches its work with the goal of delivering recommendations grounded in good public policy. Having just outlined the committee’s operations, I am perhaps not so surprised that the National Party has shown no interest in membership of it: it sounds like hard work, and I can tell you as a member of the committee that it is hard work.

In relation to the National Party and rural Australia, senators ought to remind themselves of the debate on the Wheat Marketing Amendment Bill 2002 in the early hours of 27 June this year. Present in the chamber for the duration of the debate were the Minister representing the Minister for Agriculture, Fisheries and Forestry, Senator Ian Macdonald; the chair of the rural and regional legislation committee, Senator Heffernan; committee member Senator Ferris; the shadow minister for primary industries, Senator O’Brien; and the Democrat spokesman on agriculture, Senator Cherry. Present in the gallery were representatives of the AWB; absent from the debate and, except for a brief appearance at the outset, absent from the chamber were the National Party. Perhaps it was just a symbolic reflection of the National Party’s concern for grain growers. But what you see from the National Party is generally what you get—not much at all. I know I am not the only one in this parliament who shares that view. The Liberal member for Hume, Mr Shultz, has made his abhorrence of the National Party a matter of public record.

Senator Boswell—Madam Acting Deputy President, I rise on a point of order. Is there a standing order that prevents—Is there a standing order that prevents—Is there a standing order that prevents—Is there a standing order that prevents—I am sure there is and you may seek some advice on this from the clerks—people from reading speeches in the Senate? There is one that has not been invoked, and I do not mind that so much. If people read their own speeches I do not mind, but when people just get up and parrot speeches that have been written for them then I do invoke the standing order.

The ACTING DEPUTY PRESIDENT (Senator Kirk)—My advice is that previous presidents have ruled that reference to notes is permitted in the chamber.

Senator BUCKLAND—Madam Acting Deputy President, I thank you for that wise decision. As I was saying, the Liberal member for Hume, Mr Shultz, has made his abhorrence of the National Party a matter of public record. He got it right when he said the National Party ‘compromises itself at every opportunity’.

I want to turn to the emerging Achilles heel of this government in rural and regional Australia: its shameful response to the drought. The Howard government has only had one interest in the drought and that is to use it as a foil for its own economic mismanagement. At the outset the Treasurer denied the seriousness of the drought, presumably because the longer he kept his head in the sand the longer he could keep his hand in his pocket. But once it dawned on the govern-
ment that the drought had grown into a serious problem in rural Australia, the Treasurer could not stop telling everyone that every economic woe could be blamed on its emergence. Growth below expectations? That is the drought. Record trade deficits? We should listen again because that was the drought as well. Inadequate funding for health and education? You want to believe it—it was the drought that was responsible for that as well.

Given the undoubted impact of the drought on the rural economy, and the government’s resort to it for political cover, you might think that it would have resulted in a timely policy response. Anyone who thinks that probably also thinks that Mr Truss occupies the office of minister for agriculture on merit. The fact is the Howard government’s response to the drought has been an absolute fiasco. While this government has blamed the states for every failure under the sun, it has failed to fulfil its responsibilities under the exceptional circumstances program. Mr Truss has made unilateral changes to the program but failed to implement the reforms agreed by all the states in May last year—months before the real drought crisis hit production and farm incomes. Why? Because Mr Truss was content to play politics with the future of rural and regional Australia in an attempt to extract some dishonourable political advantage for the coalition. As a political strategy it failed miserably at the Victorian and New South Wales state elections and will fail again at the next federal election.

What Mr Truss does not understand is that the failure of the Howard government to adequately respond to the drought will have more than a political legacy. The delay in delivery of assistance may have a lasting impact in rural and regional communities denied the assistance they would have got under the reform deal agreed in May last year. The reform deal included the early delivery of EC assistance through Commonwealth-state cooperation and the introduction of permanent buffer zones. One of the key problems with the government’s administration of drought assistance is the lack of consistency in the application of rules. I defy anyone—senator, departmental official or farmer—to explain the rules underlying the current EC program. Some regions got ad hoc assistance last year because Mr Truss declared them eligible, including the City of Darebin in Melbourne’s inner north. Some regions have got full assistance under the EC program, others have been denied, and yet others have been forced to endure the enduring ‘interim’ grant. Within regions Mr Truss has divided areas and even industries according to rules resident in his own mind but nowhere else. I can tell you, Madam Acting Deputy President, that in my home state of South Australia the Howard government’s inability to deliver on its promises to help drought affected communities through the drought has not gone unnoticed. On every count in this resolution the Howard government stands condemned.

**Senator HEFFERNAN** (New South Wales (5.10 p.m.)—It takes a fair bit to get me up in this chamber—

**Senator Forshaw**—Hold the front page!

**Senator HEFFERNAN**—but after the disgusting display today by the Labor Party I have to say if you thought that was about drought you would be forgotten. More than anyone else in this chamber I can talk about drought. And I declare an interest: I am a farmer. No-one on the other side would understand about waking up in the morning wondering how many weak sheep you are going to pick up after you have fed them or how many times you are going to pull a calf from a cow that cannot get up. Senator, the last time you went out into the bush was in...
your backyard and you got lost in the trees and thought that was the bush!

I would like to give a cheerio call today to the Riverina—because this is about drought, even though you would not think it was—to the Balranald Rural Lands Protection Board that have had 10 years of drought to endure.

Let me just say for the record: we have had one good year since 1993 and that was 2000. In the year 2000 we had a fall of 360 points of rain between the Christmas and New Year of 1999 moving into 2000. That was the third time in our area, since 1992, when an inch of rain fell. That is what you call a dry time. So if anyone can talk about drought, I can. Unlike you, Senator Forshaw, I have camped on every major stock route in New South Wales.

Senator Carr interjecting—

Senator HEFFERNAN— Senator Kim Carr has done most of his training in Moscow, not on the stock routes in New South Wales. He went to a school in Moscow. I have camped on the stock routes. I have got up at 4 o’clock in the morning wondering where the next water was going to be and whether the stock would get there and whether we should walk them at 5 o’clock in the morning so that by the time it warmed up at nine o’clock they would be on the water. They are the sorts of real problems that you can have. Then there are the people that work for you, the hard-working people in the bush who wonder whether they are going to get the sack if it does not rain at the next autumn break. There is the anguish of a farmer who works his way through one year thinking: ‘For God’s sake, it must rain next year.’ You deplete yourself and you know that when you go to the bank you are worried about the bank.

One of the fundamental failings of drought management is right back at the rural land protection board level. Twenty years ago rural land protection boards and the state governments had all sorts of contributions in freight and fodder, which they have dropped in recent years. Rural land protection boards no longer monitor droughts in the way that they used to because there is no real benefit in doing that. One of the downsides of declaring a drought in a rural land protection board is that it gives the district a bad name. You have had so many days in the year drought stricken; the bank gets hold of that; the bank then tends to put pressure on the farmers whose drought measures are beyond their control, and it is up to the bloke upstairs. This recent drought is starting to fill in, as Senator Boswell has said, but it is far from broken in the central far west of New South Wales north of Hay.

One positive of this drought has been the high value of stock when farmers have destocked. That has given cash flow and put money into the farm management deposits. Some people who do not know the game have gone to the register of farm management deposits and said, ‘The farmers are doing all right because there’s heaps of money in the farm management deposits.’ That money is from destocking the properties. When farmers come to restock, as we all know, stock prices are at a record level, and it is going to be very hard to restock. In my own district in Booligal there is a place up the river—and I will not name it—where they usually run 25,000 sheep, including 15,000 to 18,000 breeder ewes. They now have 3,000 sheep. They will not be able to afford to buy stock to restock because there is the added complication in the OJD-free areas of not being able to bring stock from the east into the west. That is another complication I am sure the Labor Party would not be conscious of. So restocking when this drought finally does fill in is going to be very difficult. I applaud the Commonwealth government, and I applaud the National Party’s
input, for bringing back farm management deposits—something that the Labor Party did not even think about.

Senator Carr—You’re desperate, aren’t you? You’ll even suck up to the National Party! How desperate do you have to be?

Senator HEFFERNAN—Unlike Senator Kim Carr, whose only education has been in some sort of a ghetto in Moscow, I know that drought eats into your mind. If you are a farmer, it eats into your mind. You will wake up in the morning distressed that you have to go out there and perhaps shoot a cow that cannot get up. I would like to know the last time Senator Carr—

Senator Carr—Shot a cow?

Senator HEFFERNAN—I would like to know if he even knows which end to milk the cow! The Commonwealth has put into drought relief for the present drought about a quarter of a billion dollars and expects to expend about a billion dollars. There have been 6,700 applications for interest rates subsidies, which are a useful tool for farmers who have a serious loan situation. There have been 29,700 applications in total for assistance.

I have carefully followed this debate today and you would not think it was about the drought—it was about everything but the drought, because they do not know anything about the drought. So can I go to one issue and talk about water. Senator Lyn Allison brought up the issue of water. Let us correct a few things that people say about water. A lot of people say that Australia is a dry continent. In fact, Australia is not a dry continent. Per head of population, Australia has as much water as any other country on the globe. To get it on the record: 97 per cent of the world’s water is salt water; 2½ per cent of the world’s water is fresh water. Of that fresh water, two-thirds is tied up permanently in snow and ice and 1/400th is actually available in our rivers and lakes. There is more water in the clouds than there is in the earth’s rivers and lakes.

Senator Carr—This is startling stuff, mate!

Senator HEFFERNAN—We live in the Murray-Darling Basin. If you listen, Senator Carr, you will learn something here. We in the Murray-Darling Basin do 75 per cent of Australia’s water farming.

Senator Carr—On rice. That is really clever in the desert!

Senator HEFFERNAN—I have had plenty to say about the way we use the water, and if you listen you will learn: 6.2 per cent of Australia’s water runs off in the Murray-Darling Basin; 38 per cent of the total run-off in Australia runs off two per cent of the land. We have two catchments in the north of Australia, where I think there should be a new agricultural frontier, and 45 per cent of Australia’s water runs off in those two catchments in Northern Australia. A total of 180,000 gigalitres of water runs off and we extract 100 gigalitres. In the Murray-Darling Basin, 23,000 gigalitres run off and we extract 13,000 gigalitres. Whichever way you do the sums on the run-off in the Murray-Darling Basin, they are not going to add up. One of the great tragedies about water in Australia thus far is that it has been managed individually by every state so that the railway lines certainly do not connect up in a policy sense.

One of the great initiatives of this government has been to get the cooperation of the states. I applaud people like Craig Knowles in New South Wales for his cooperation. He realised very quickly into his tenure in his portfolio that he had been given a very brown sandwich by his predecessor. The bureaucracy did not make any sense—to the point that 25 per cent of the licences in the Gwydir aquifer in New South Wales are
what we call phantom licences. They are owned by people who on 1 July would have all become millionaires under the New South Wales government plan of the previous regime. Those licences, which have absolutely no aquifer attached to them, on 1 July would have become unattached from that piece of land and been able to be traded to a piece of land that had water. So at, say, $1,000 a megalitre, a 1,000-megalitre licence is worth $1 million. For any government to say that is a real situation is wrong; it is a fraud on the public purse. That is what that is.

I applaud the comments that have been made about the rural and regional affairs and transport committee. I think we do try to act in the best interests of the various bodies we represent, but I completely reject any criticism of the government in that process because it is all part of the robust process of getting a good decision. As Senator Buckland would know, in the recent journey we took for the water inquiry we went to St George. We quickly discovered in St George the intricacies of water harvesting. I was pleased to see the other day above the COAG signature a line that says, ‘We’re going to look at water harvesting,’ and so we should. What has been going on in Queensland, in my view, is a complete interception of the riparian rights from people of the Lower Balonne and Culgoa rivers. For the record, we were told—and I intend to table these letters later—about the introduction of an A and B licence regime. An A licence is a bunding water licence under which people are trying to legitimise putting a bank around their land, keeping floodwater off it and then being entitled to that water; and a B licence is where you can harvest the water once it gets out of the river.

In my view, this is a complete dereliction of people’s rights further down the catchment. I think the Queensland government has to rethink that strategy, and I am sure that the people in the Culgoa Balonne Minor Water Users Association agree with me, because no consideration has been given to that. We were told that in four years they have gone from 50 gigalitres to 750 gigalitres—that is, 750,000 megalitres—of water harvesting storage that has been built in that area of the state. If that proposal becomes law, that will completely do away with the downriver riparian rights of the people in the Brewarrina and Narran Lakes areas, certainly in the Lower Culgoa. Those people told us: ‘We think that Bourke deserves about six per cent of the water that goes down the Culgoa and we can have the rest.’ I do not agree with that.

We then went on to Moree. We were given evidence—and I intend to table that letter also—from the people of the Upper Namoi Water Users Association who have been the victims of a deliberate decision in 1982 by the then government to put in place a policy which mined the aquifer of the Namoi and gave it a life of 30 years. That is an utter disgrace. I think those people could make out a class action against the government because some of those people have now been told that they are going to lose 87 per cent of their water allocation because of a decision, which was negligent, back in the 1982-84 regime and which, I might say, has carried on ever since. So, in the interim, there has been a lot of bad policy involving both sides of politics.

We then went down to Griffith and were presented with the river management plan, among other things, and a very good presentation from the various confined rice growing areas et cetera. A thick book, which is the river management plan, comes out. It has been deferred, thank God. But nowhere in the river management plan has any allowance been made for the 2020 vision and the trebling of the plantation forests area.
One of the other great negligences—two great mistakes in water management by the states—is the overallocation of the rivers and the complete denial of the effect on plantation forests of runoff. If, for instance, in New South Wales—and I am sure there will be wise heads brought to bear so this will not happen—farmers lose 30 or 40 per cent of their allocation because of the overallocation to return water to a vitally needed environment, unless we are going to close Adelaide and move it somewhere else, but we do not account for the forests, in a few more years we will be going back to the farmers and saying, ‘Sorry, we’ve got to take another 30 per cent of your water because the river’s still no good.’ That is because the trebling of the forests above the 35-inch rainfall area in New South Wales—and there are 200,000 hectares of new plantation forests planned in south-east New South Wales and north-east Victoria, mostly in the high-rainfall country—is going to take between 600 gigalitres, or 600,000 megalitres, and 1,000 gigalitres of water out of the catchment. If we do not make allowance for that now, we are going to further degrade the river. So as part of a drought policy—and Senator Allison raised these questions—or a water policy that is responsible and uniform across Australia, we must take into account the reduced run-off from plantation forests. In my view, if you want to plant a forest in 50-inch rainfall in the future and get an approval for that, you are going to have to buy a water licence and take it out of the system because, as sure as hell, the forest is going to take it out of the river since it is not going to get to the river—it will be intercepted before it does.

Much the same problem in principle is the water harvesting regime that has developed in Queensland. They are intercepting water that belongs in the river. They are saying, ‘Once it gets out of the river below St George, we can grab it; we can harvest it.’ But unfortunately that water flows back into the river further down, then out of the river and back into the river. That is the nature of the river system up there. An interception further up the river completely denies rights further down the river and denies the health of the river.

I move now to water trading. I have a strong view—it was a fairly lonely view 12 months ago—that we should not allow speculators in the water market. I have a very strong view that the only people who ought to be able to own water are people who have a legitimate use for the water. We already have a trading regime that works well, and the price of water has multiplied many times in recent years as it drifts to the higher user. I am pleased to see that under the COAG plans—and I congratulate the Commonwealth government and the states—an aggressive buyer in the market under this new plan will be the environment. But we cannot allow an unrestricted regime where water is traded. I went around Australia six or eight months ago asking people at the various conferences: what is a nationally traded water right, for God’s sake? Everyone shook their heads; there is no such thing. The water in the Kimberley cannot be traded with the water in the Murrumbidgee. So I am pleased to see that that has made its way into the regime of the new water management plan.

Trading in catchments is quite legitimate, and they can be scientifically defined. But I could also put a plea in that if you trade enough water out of a particular catchment—a particular Berriquin irrigation scheme, the Coleambally irrigation scheme or the Murray irrigation scheme—you can absolutely destroy the social and economic environment; you will make the infrastructure unviable. There are a whole lot of issues that I am pleased the government is waking up to. For the record, the Murray-Darling Basin, where we have 6.2 per cent of the run-off and 75
per cent of our water farming, needs a rest and deserves to have a good, safe environment returned to it. I think it is quite an emotional issue for people in the cities. I have people come up to me and say, ‘You’re right,’ and, ‘We don’t want Thames London, the banks or some other carpetbagger at Noosa owning all the water rights in Australia,’ which is what could happen once you untie the licence from the land.

I would like to put all irrigation farmers and all decent Australians on notice that in other countries, such as central Africa, where multinationals have come in and bought the water rights they have completely destroyed communities. There are communities in central Africa who cannot afford to drink the water that comes out of the local tap because it is too expensive. Some of those communities have started to drill low-level bores, which yield unhealthy water, and they are getting sick and their children are dying from diarrhoea because a multinational somewhere has decided that there is a quid in water. There is no question that some of the companies that are being listed on the Stock Exchange now as water vehicles see water as a river of gold. In this parliament we must make sure that the wealth of water, the capital base of water, stays in the bush where the users are. (Time expired)

Senator HEFFERNAN—I seek leave to incorporate the two documents, which I have shown to the honourable members on the other side of the chamber.

Leave granted.

The documents read as follows—

Culgoa Balonne Minor Water Users Association

The Secretary
“Sorrento”
Lightning Ridge NSW

Senator Heffernan

Suite 703, Westfield Towers
100 William St
SYDNEY NSW 2011

Dear Senator Heffernan

We wish to accept your offer, made at the Senate Inquiry held in St George, August 25th to communicate on our behalf, with Prime Minister John Howard regarding our grave concerns for the future of the Lower Balonne floodplain. Many stakeholders have put their concerns in writing over the past few weeks, with letters being sent to Ministers Robertson, Knowles and Anderson, Qld Premier Beattie and Prof Cullen.

The Culgoa Balonne Minor Water Users Association was formed in 1980 to represent the interests of riparian water users on the Lower Balonne floodplain. It encompasses approx 320 holdings (not all financial members) with approx. 75% of the floodplain land mass being in NSW. As water is a state issue, the NSW members have little voice or influence.

On Friday 29.08.03, the Culgoa Balonne Minor Water Users Association held a meeting, at which it was moved unanimously to accept your offer and to stress how urgent the situation has become.

Our greatest concerns are:

1. Queensland irrigators are using water management proposals as a vehicle for re-organising, rather than reducing, their water entitlements and security.

2. We are all in total opposition to type A & B water extractions. The creation of type A & B water extractions is purely a “back door” way of creating new water entitlements and legitimizing further extraction of floodplain flows.

3. We believe that by its very nature (i.e. bunding off large areas of the floodplain for no other use than water extraction), type A & B extractions will have a massive impact on overland flows. Thus, under section S (38) 4 of the Qld Water Act, can type A & B water extractions be allowed? Water storages on the floodplain have increased from 90 GL in 1995 to 740 GL in 2001. More than half of this occurred in 2001 (Cullen et al page 37). There has not been a major flow in the
system since 1998 so we have yet to see how significant the impact of this extra development will be.

4. We strongly believe all water harvesters must end up with a maximum annual volumetric entitlement or there is little hope of restricting the amount of water that can be extracted. We do not believe storage size should be used to equate to an allocation, as it will merely become a water grab by those who could build the largest storages at the time.

5. At the senate inquiry, one large irrigator admitted to using type A extractions, even though there is presently no such classification. Does this mean that they are presently pumping illegally?

6. We believe the issuing of type A & B extractions is a means of getting around the moratorium (Oct 1994) on issuing any further entitlements or licenses under the old legislation, and is a subterfuge by some people to gain an entitlement when they do not have an application pending. If type A & B extraction is then converted to allocations, does this mean they can then pump from the river instead of the floodplain? If they can pump from the river, won’t this actually be increasing the river allocations and what legal problems will this pose in relation to pending license applications suspended by the moratorium. Why is pumping from the river regarded as different to pumping from the floodplain? Doesn’t it all come from the same source?

7. If type A & B extractions are issued as allocations and in the future, allocations have to be reduced due to environmental concerns, then water harvesters of type A & B will claim compensation for water we believe they should not have been entitled to in the first place. We are also concerned that if type A & B extractions are issued as allocations, then water harvesters will have excess water allocations they could sell if water trading is allowed. Either way A & B extractors will be getting yet another water gain we do not believe they should be entitled to. We also believe that if water allocations become tradable, full environmental impact studies must be done before transfers are allowed.

8. Would type B extractions, presently taken in Queensland under common law rights, be available in NSW and if not, why?

9. Stock and domestic releases of 730 ML/day have never been enough for the entire system. Depending on antecedent conditions it has been demonstrated over the years since 1974, the volume needed to satisfy stock and domestic requirements to the extremities of the streams is in the range of 25,000ML to 40,000ML.

10. We believe the economic value placed on irrigation areas is at the environmental and economic expense of the floodplain. Irrigation wealth is only due to the theft of floodplain wealth, hence transferring the resource and wealth from one sector to another. It is a fact that land surrounding these rivers and floodplains was valued and purchased at high amounts in the past, purely because their main asset was, that they received beneficial flooding. Without this flooding the productivity and valuation of these properties has declined as shown in our submission. If water harvesters are entitled to compensation for reductions of their allocation, then shouldn’t riparian water users, who by default (and the up stream over issue of allocations) now have depleted water supplies, also be entitled to compensation?

11. Any new studies, need to be made of the entire Lower Balonne system. There needs to be an agreement between the Queensland and NSW State Governments, to treat the system as one entity. Any decisions must be mutual and there must be fair and equal representation of all interested and affected groups. Is it possible for river systems that transcend state boundaries, to be administered and monitored by the Federal government or a Federal body.

In summary, we are sure that the instigation of type A & B water extractions will further degrade the river system and plead with you not to allow them. The environment and floodplain cannot survive the impact of all the consequences of this
over development and will certainly not be advantaged! The many stakeholders on the lower reaches of the floodplain should not have to suffer for the financial gain of a few.

We thank you for taking an interest in our concerns and look forward to your reply.

Yours sincerely,

Helen Hall (Secretary)

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TO Senator Bill Heffernan
FROM Juanita Hamparsum
DATE 29 August 2003

Dear Senator Heffernan,

I have compiled the information you have requested which supports the mining policy of the groundwater resource over a life of 30 years. There are many documents that my late father has in his archives. I have attempted to provide a brief summary in chronological order of the policy positions and interim management decisions the government made prior to the water reform process starting in 1998. There are too many documents to fax so I have just included some main extracts for your perusal and I will send the other documents by mail. I hope this is OK.

You will notice that there is no response from the government to my father’s submission to the discussion paper, which is common practice. However my father does have hand written notes of a meeting that he attended on 8 November 1983 with Mr Warren Addison (licensing) and Mr John Ross (Hydrogeologist) of the then Water Resources Commission. In these notes some specific question and answers were given. Examples are;

Question: “Does WRC consider that the groundwater resource has been overcommitted in any of the zones?”

Answer: “WRC does not consider the resource to be fully allocated.”

Question: “Is the proposed policy one of mining the resource?”

Answer: “The proposed policy relates to making irrigators more efficient. Resource has a 30 year life—finite if no floods.

Interesting comments from the hydrogeologist at the time! Especially when the Association was asking for less licences to be issued and a moratorium on any new development until the science could be clarified.

Note: The Central Namoi Valley Underground Water Users Advisory Association (CNVUWAA) is now called Upper Namoi Valley Water Users Association.

Also when you receive the full documents you will notice that the actual “policy” of October 1984, makes a disclaimer about mining the resource in section 2, however the conversion factors that they have used (section 5.1) to convert the area licences to volumetric licences are the same as the discussion paper which outlined they would mine the resource. I know this seems confusing, however this is why it is accepted by all that the allocations issued in 1984 were based on the mining policy and the Department have done nothing since then to stop the mining.

I have faxed you a copy of the discussion paper review of submissions now so that you can get the general idea of the types of documents we have. Please note section 2.1 on page 2 which itemises the conversion factors to be used in the zones (these are the same as the ones implemented in the final October 1984 policy) and the fact that they are “based on a 30 year life of the irrigation component of the groundwater resource currently in storage”.

I can’t thank you enough for your interest in our plight. As you can see, for over 20 years now our family have been striving for sustainable management of the resource and it has fallen unfortunately on deaf ears. It is such a shame that those who know the most about the resource are constantly ignored. So much pain could have been avoided. Hopefully the new national water blue print will learn from these mistakes.

Please call me if you have any other questions, I am putting the other documents in the mail today.

Yours sincerely,

Juanita Hamparsum

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HISTORY OF NAMOI VALLEY GROUNDWATER PROBLEMS

1) October 1983—Proposed Licensing Policy for high Yield Bores in the Upper Namoi Valley, Mooki Valley & Cox’s Creek, NSW
   Proposed to Mine the resource over 30 years, not allowing for recharge. Main goal was to maintain the economic viability of existing farmers.

2) November 1983—Central Namoi Valley Underground Water Users Advisory Association (now called the Upper Namoi Valley Water Users Association) passed a motion to place an embargo and/or moratorium on issuing any more licenses until the Water Resources Commission is satisfied that no further depletion of the groundwater resource will occur.

3) December 1983—Ian Hamparsurn’s submission to the department to have a balanced approach to water management, not mining.

4) March 1984—Review of Submissions received in respect of proposed volumetric licensing policy high yield bores in the Upper Namoi Valley, NSW
   Summarises the submissions and concludes that the existing irrigators wanted a moratorium on issuing more allocations, however the graziers, dryland farmers and potential irrigators argued that no embargo should exist.
   The government considered the resource to be finite.

5) October 1984—Licensing Policy for High Yield Bores in the Upper Namoi Valley, Mooki Valley and Cox’s Creek NSW was issued.

6) July 1985—Government announced an embargo on the issue of high yield bore licences for any new irrigation development.
   Between 1984 and 1987 the government continued to issue licences. Within Zone 3 a total of 15,108ML was issued despite the embargo’s and the resource depletion.

   Highlights the Mooki Valleys severe groundwater depletion.

   Highlights the over allocation and over use problem within the valley and discusses how to deal with it.


10) May 1996—Submission by Ian Hamparsum arguing that the proposal was still not sustainable.


Senator STEPHENS (New South Wales) (5.31 p.m.)—In beginning my contribution in support of the motion standing in the name of Senator O’Brien relating to the crisis in rural and regional Australia, I want to say welcome back to the Senate, Senator Heffernan, and thank you for your contribution, which really did reflect some of the very difficult issues that all Australians are going to have to face in dealing with water and water policy in the future. While some people did not quite understand what you were saying and I appreciate the points that you made.

But this debate is about the effect of the drought on rural and regional Australia and the concerns that the Labor Party has about the government’s lack of support for rural and regional people and communities. First, I acknowledge that Senator Ferris described in great detail the work that has been done under the exceptional circumstances regime of the Commonwealth and the whole issue of structural adjustments and EC declarations.
In my state of New South Wales, 83 per cent of the state is covered by exceptional circumstances at the moment. I was very pleased to see, finally last week, that 720 primary producers in the East Hume region can now apply to Centrelink for some financial assistance under EC declaration allowances. That has been a long time coming for those people who have been on the wrong side of the Hume Highway in the eastern Riverina area.

The consideration of outstanding applications for exceptional circumstances, which include significant parts of New South Wales including Dubbo, Condobolin—divisions A and B—the Molong, the central tablelands, Mudgee, Merriwa and Braidwood, is awaited with great anxiety by the residents of those areas. We are hoping that the federal government will be timely in the consideration of those applications. But, last week, two more applications went forward to the federal government and they include the regions around my home: the Gundagai region, including Cootamundra, Cabramurra, Adelong and Tumut, and Goulburn, Yass, Crookwell, Gunning, Burrinjuck and Taralga. That is the area that I am very familiar with. It is an area that is now extremely distressed by the drought. Many people, having seen the rains of the last few weeks, expect—in the eastern states and the urban areas, certainly in the coastal communities—that the drought has broken. It is far from broken. It is still a real issue and one that is of concern to many people.

I draw the Senate’s attention to the fact that earlier this week the National Rural Women’s Coalition hosted a national forum to look at managing the fallout from the drought and to plan for similar events in future. The forum, which was entitled ‘Managing drought—finding solutions’, was held at the Dubbo RSL on 8 and 9 September. The issue is a very important one and we all know the role of women in rural and regional communities who are left, in many senses, to carry the social, economic and cultural impacts of circumstances such as the drought. The forum convener, Jan Fitzgerald, said that the forum was trying to address those issues and the whole issue of economic hardship in rural, regional and remote Australia. She said:

This drought will shape the future of rural Australia in years to come—in fact the real social and economic impacts are yet to flow through many communities

She said that the aim of the forum was:

... to develop a roadmap of solutions from rural women, to be presented to government, industry organisations and other groups as a basis for rural policy development.

The forum assessed current government policies and education on drought including the impact, which is often missed, on Indigenous communities. Mrs Fitzgerald said:

... the NRWC recognises that the drought has not broken for many people, yet risks slipping off the national agenda as people perceive it has been ‘addressed’ through welfare payments and good rainfalls in areas on the East coast.

The issue of welfare payments and entitlements for EC assistance is the argument that we have heard very strongly today. But there is much more at stake in rural and regional Australia because of the long-term impact of the drought. I would like to address my remarks to some of those important issues. First of all, we have many small rural communities—and I will confine my remarks to my home state of New South Wales where there are small rural communities such as Hay, Nyngan, the Pilliga, Wee Waa, Coonamble, Quambone, Narrabri, Condobolin and Boggabri—that are struggling with the long-term impacts of drought on their communities because drought affects much more than the farmers.
We all appreciate what the impacts are on farming families and farms, but we have to remember that drought also impacts on those rural communities that support the farmers and farming families. Rural businesses are in dire straits and are experiencing real crises. People such as fencing and harvesting contractors, and shearers and their families have been affected. Fuel suppliers, agricultural services, and machine repairers and suppliers are community businesses that are also impacted by drought. They are the people who are often forgotten. We remember farming families but we forget the businesses and the working families that are impacted so dreadfully.

I will remind the Senate of some of the recent job losses that have come about as a result of the ongoing impact of the drought. Just last month 104 jobs were axed from Namoi Cotton as part of its drought strategy. The Mudgee abattoir closed last week affecting 400 jobs directly and 304 indirectly. At the Goulburn abattoir 500 jobs were affected. There has been a 70 per cent drop in rice production which has forced SunRice to cut 200 jobs. They have had to temporarily close down the Deniliquin mill and the drought has forced the permanent closure of the mill in Echuca. So there are huge impacts for communities and they go far beyond the farm gate to impact on rural communities. That is the kind of issue that I know the women in Dubbo were this week trying to debate and develop some strategies for.

Serious issues were raised by Senator Allison in her speech in this debate. She spoke first about water—and Senator Heffernan addressed many of these issues very eruditely this afternoon—and she spoke about other things such as the lack of support for educational opportunities. I draw the Senate’s attention to the really important role that is played in rural and regional Australia by the TAFE network and regional TAFEs. Those institutions do much more in regional communities than maintain skills training; they are also the source of intellectual and social capital in many of those communities. Declining enrolments and declining support of those institutions by the federal government deal much more than a single blow to regional communities. It is very important for us to retain local skills in our regions. It is also very important to retain the contribution that rural TAFEs make to the much broader social fabric of those communities.

Senator Allison also raised the issue of the low level of participation in higher education by people from rural and regional Australia, and the lack of opportunities being afforded to them. One of the issues that has been of significant concern to me is the policy of overenrolling numbers that regional universities in New South Wales have had to implement. That has been a significant factor in the enrolment patterns at both Southern Cross University and Charles Sturt University. There are real impacts for the future of those universities in the proposed higher education package, and that is of great concern to me. Creating higher student-staff ratios is the kind of response that those universities have had to make due to the funding cuts in higher education.

I draw the Senate’s attention to the fact that between 2001 and 2002 the number of students per staff in New South Wales universities increased on average by 8.7 per cent, but at Charles Sturt University the increase between 2001 and 2002 was 8.8 per cent. The increase from 1996 to 2002 was 70.1 per cent. That is a massive blow-out in student-staff ratios in order to maintain levels of education services and to provide the range of courses that we know regional students deserve to have access to. At Southern Cross University the increase over the last 12 months was six per cent, but from 1996 to 2002 the increase was 25.4 per cent—again,
a massive increase. At the University of New England in Armidale the increase was 15 per cent over the last year and 30.4 per cent between 1996 and 2002. It is an extraordinary imposition to make on those regional universities, but those are the kinds of things that they have to do to remain viable. That is an important issue for us in regional Australia.

I have spoken about the job losses and the issue of responding to the long-term impacts of drought, but I would like to ask all of the Senate to consider how we can develop a whole of government approach—a strong policy focus on the long-term sustainability of rural and regional Australia. I draw the Senate’s attention to a report that was released by the government only a few weeks ago: Regional Business—A Plan for Action. It was a very significant report. Despite the fact that it sat on the minister’s desk for some seven weeks before it was released, it makes some very significant recommendations that could really make a difference for regional business. The action plan calls for many changes and proposes some very constructive ideas for regional business, regional development and business growth. The report says:

... impediments to regional business growth fall into four key areas: attracting investment and accessing finance; dealing with government policies and programmes; recruiting and retaining skilled people; and establishing and maintaining adequate infrastructure.

Our Plan proposes actions that address the difficulties faced by regional businesses in attracting finance and investment, and in accessing adequate infrastructure. Change in these areas is critical. Other actions, in many cases, come down to more effectively focussed government support and structures that will help regional businesses to help themselves to identify their competitive advantage and pursue opportunities for growth.

I would like to congratulate the task force that developed this extraordinary plan. It is a great blueprint for the future and it is one that should be well adopted. Of course, the recommendations are not being taken up by this government, which is a great disappointment. First of all, the action plan calls for changes to address anomalies in the Zonal Tax Rebate Scheme. The minister, in launching the plan, effectively closed the door on the positive improvements that were proposed. The minister has ruled out positive changes to the scheme and he has failed to rule out other changes that would result in the removal of assistance to thousands of people living in cities like Darwin, Townsville, Cairns and Mackay. The Zonal Tax Rebate Scheme is an important scheme, and the proposal in the action plan did give some impetus to a new way forward for business development in regional Australia. Labor supports those proposals but will not support changes in the scheme that will result in a loss of assistance for people living in important regional centres.

The action plan clearly indicates that the federal government has a vital role to play in supporting the regions and regional businesses. Removing tax assistance certainly flies in the face of this important role of government. The issue about the original plan which I wanted to draw to the Senate’s attention was the extent to which the plan incorporated significant consultation with regional business and provided some innovative ways of moving forward for regional business development. The task force received 179 submissions, visited 50 regional centres and analysed comprehensive research into the lessons learned in regional business development policy. I have spent some time going through the literature review undertaken for the task force by the department, and some very significant overseas lessons could be incorporated into a very effective regional development policy for Australia.

We now have a very effective blueprint that has been partially endorsed but not seri-
ously recognised by the government. One of the biggest lessons out of this action plan is the fact that, as Senator Allison said in her speech, rural and regional communities feel like they have been consulted to death and the time has come for action. The issues that are raised in this document provide a way forward. Some of the recommendations are brave and courageous—and, therefore, I do not suppose we will see the government being prepared to take too much action on them—but there are serious issues here that deserve consideration. Certainly, the Labor Party is considering the extent to which some of these recommendations can be implemented.

In conclusion, as someone who is based in regional New South Wales, I meet and receive representations from people who have long-term issues about recovery from the drought. Senator Heffernan acknowledged that the single issue of restocking farms will become a huge challenge for the agricultural industry in Australia as a result of the drought. The fact that you cannot restock and recover both your pasture and your stock and your flock numbers, for example, means that you cannot restock and reopen abattoirs in a short period of time. These are things that take a long time and therefore have long-term impacts on people who are dependent on those rural industries for their livelihood and for their families’ futures. We cannot take those people for granted. We cannot just imagine that exceptional circumstances and short-term assistance, important as it is, is going to revitalise regional Australia and we cannot leave those people thinking that for regional Australia that is enough. We have to move to a comprehensive, whole-of-government, integrated, collaborative approach with our state governments to ensure that regional Australia has a viable future.

Senator COLBECK (Tasmania) (5.50 p.m.)—I would like to put on the record today the Howard government’s significant commitment to rural and regional communities across Australia. One of the major impacts on rural and regional Australia over the last 18 months has obviously been the effect of the drought. The drought is driving dramatic effects in both the economic and social wellbeing of communities affected. The importance of having an effective drought policy in times of need is absolutely vital, and I note the absence of that drought policy on behalf of the Labor Party.

The Parliamentary Secretary for Agriculture, Fisheries and Forestry, Senator the Hon. Judith Troeth, addressed the National Rural Women Coalition drought forum dinner on Monday night in Dubbo that Senator Stephens just mentioned. During her address, Senator Troeth said:

The Australian government, as you know, is right behind the National Drought Policy, which encourages primary producers and other sections of rural Australia to adopt self-reliant approaches to managing the risks from climatic variability.

She went on to say:

The policy also aims to maintain and protect Australia’s agricultural and environmental resource-base during periods of extreme climate stress, to ensure early recovery of agricultural and rural industries consistent with long-term sustainable levels.

It was the Howard government who recognised the difficulties being faced by those drought affected areas. The provision of exceptional circumstances funding enabled farmers to cope with the difficulties associated with extreme climatic conditions. The assistance provided to primary producers by the Howard government included interim income support and interest rate relief. Upon establishment of a prima facie case by an applicant, income support for six months was available while the application was being formally assessed. After the assessment had been made, those exceptional circumstances
areas became eligible for interest rates subsidies and income support for a period of two years.

Unfortunately, drought affects all aspects of communities. A whole-of-government approach was enacted to deliver assistance to those in need. Senator Stephens mentioned small businesses. In addition to providing assistance for individual primary producers, assistance was provided by the Howard government to small businesses for the first time. I repeat that it was the Howard government who saw fit to provide assistance to small businesses experiencing a downturn as a result of the drought.

In July, the assistance offered to small businesses was enhanced by the following measures: loosening of the eligibility criteria, tax relief for those experiencing difficulty meeting their obligations, interest rate subsidies and provision of incentives for new apprenticeships. Since the declaration of the drought, the Howard government has spent nearly a quarter of a billion dollars. That expenditure continues at the rate of $10 million per week. We will see the Commonwealth expenditure on drought continuing until it reaches something close to $1 billion over the next two years. This can be contrasted with the situation with the states, who continue to take every single opportunity available to wind back and cut their assistance to drought.

During the last six to nine months, state governments across Australia have retracted their assistance measures. I will give you some examples. In delivering his 2003-04 budget, the New South Wales Treasurer announced that $81 million would be spent on drought during 2002-03. However, Budget Paper No. 3 stated that only $28.5 million was expected to be spent on drought over that period. The New South Wales government also announced on Sunday, 7 September that three of the four divisions in the Molong RLPB were no longer drought declared and therefore no longer eligible for state assistance, yet the New South Wales state government has lodged an EC application for this area. In Victoria also the state government has repeatedly withdrawn state assistance measures following the introduction and announcement of EC. Labor all over Australia have walked away from rural Australia on drought and yet Labor senators have come in here feigning indignation today.

In addition to the financial implications caused by drought, measures were also introduced by the government to deal with associated personal problems. Counselling services were made available to those who experienced personal difficulty during this traumatic time, and the Country Women’s Association was instrumental in providing emergency assistance through a Commonwealth grant of $1 million.

It is not only during drought that the Howard government has directed its policies and funding towards rural and regional areas of Australia. Since 1997, the Agriculture Advancing Australia package, valued at more than $800 million, has helped farmers prepare for and deal with issues such as drought. Aspects of the package include the Rural Financial Counselling Service, which assists small business and primary producers with tools to make financial and business decisions and farm management deposits, which provide an avenue to save for future events and improve risk management. It has been mentioned here a couple of times today. It is estimated that the Howard government has foregone revenue in the vicinity of $470 million through the Farm Management Deposits Scheme, demonstrating the value that the Howard government places on planning for future needs.
The package also includes the Farm Help program, which was allocated $111.2 million in the 2000-01 budget, and the FarmBis program, a scheme to provide training opportunities relating to areas of business and individual need. In the 2000-01 budget, the Howard government announced a boost to the training needs of farmers. A further $167.5 million was offered. However, approximately $30 million of potential funds from the Commonwealth had to be redirected to other agricultural programs because, again, the states failed to match the full $120 million offered by the federal government over three years.

In addition to the funding I have outlined for primary producers and small business, the Howard government has made a significant contribution to development in rural and regional areas. The recently announced integration of the Sustainable Regions Program, the Regional Assistance Program, the Dairy Regional Assistance Program and funding for rural transaction centres to form the Regional Partnerships Program brings together a large funding source. I note that the partnership process and concept that Senator Stephens was mentioning with respect to regional Australia has already been put into place by the Howard government in respect of dealing with rural and regional Australia.

I would like to place on record my experience with achievements specifically relating to the Regional Solutions Program. Some examples of projects funded on the north-west and west coast of Tasmania include funding to complete a social and economic development impact study for a commercial marina at Stanley, funding of $500,000 toward a multi-purpose community centre with a health and recreation focus in Smithton and regional assistance to restore the community hall at Gunns Plains behind Alveston.

In August 2001 the Deputy Prime Minister and Minister for Transport and Regional Services announced the $100.5 million Sustainable Regions Program, which is the major initiative under the Stronger Regions, A Stronger Australia statement. The funding allocation of $100.5 million by the Howard government through this program is in stark contrast to the figure of less than $40 million per year over four years spent in regional Australia by the Labor Party when it was in government.

The federal government believes that Australia needs strong and prosperous regions now and into the future. Regional Australia should be recognised for its contribution to the nation’s economic and social wellbeing. The Sustainable Regions Program assists regional communities to address priority issues they have themselves identified. That is where it goes to the partnerships that I talked about a moment ago. The program offers a planned, integrated approach to regions facing economic, social and environmental change.

In my home state of Tasmania, in February 2002 I was pleased to announce that up to $12 million over three years had been provided to the Cradle Coast Authority for the north-west and west coast region of Tasmania. It was a commitment that Labor had wanted to replace with $10 million plus $30 million in loans at the 2001 election—not only content to run up national debt but also content to impose local debt on regional Australia. The Sustainable Regions Program has had, and will continue to have, a very positive effect. It empowers the region to implement local priority projects.
pired, the Senate will proceed to the consideration of government documents.

DOCUMENTS

Queensland Fisheries Joint Authority
Debate resumed from 9 September, on motion by Senator Murphy:
That the Senate take note of the document.

Senator MURPHY (Tasmania) (6.00 p.m.)—The management of fish stocks in this country should be of great concern to all Australians. It was clear from the AFMA report that some serious problems have been developing in commercial fisheries managed by the Commonwealth and also with regard to the stock numbers of 74 commercially fished fish species. What is interesting about this report is that it points out that research is a long way from where it needs to be to make certain assessments for us to be assured that the management practices being employed and the catch levels being applied will ensure a sustainable fishery.

It is interesting that, as a result of the QFJA report, a set of data collecting methods have now been put in place which I hope will very quickly bring to the fore information that is required to make a better assessment for us to be assured that the management practices being employed and the catch levels being applied will ensure a sustainable fishery.

Question agreed to.

Consideration
The following order of the day relating to government documents was considered:

COMMITTEES

Senators’ Interests Committee
Proposed Variation

Senator DENMAN (Tasmania) (6.03 p.m.)—I move:
That the following amendments to the resolutions relating to senators’ interests and declaration of gifts to the Senate and the Parliament be agreed to:

Resolution 1—Registration of senators’ interests
Paragraph (1), omit—
“Within 14 sitting days after the adoption of this resolution by the Senate and 28 days of making and subscribing an oath or affirmation of allegiance as a senator”,
substitute—
“Within:
(a) 28 days after the first meeting of the Senate after 1 July first occurring after a general election; and
(b) 28 days after the first meeting of the Senate after a simultaneous dissolution of the Senate and the House of Representatives; and
(c) 28 days after making and subscribing an oath or affirmation of allegiance as a senator for a Territory or appointed or chosen to fill a vacancy in the Senate”.

Resolution 3—Registrable interests
Paragraph (i), omit “$5,000”, substitute “$7,500”.
Paragraphs (k), (l) and (m), omit “$500” wherever occurring, substitute “$750”; omit “$200” wherever occurring, substitute “$300”.

CHAMBER
Resolution 4—Register and Registrar of Senators’ Interests
Paragraph (3), omit “the commencement of each Parliament”, substitute “receipt of statement of registrable interests in accordance with resolution 1(1)”.
[Consequential on amendment to paragraph 1(1)]

Resolution 5—Declaration of interest in debate and other proceedings
To be omitted.

Resolution relating to declaration of gifts to the Senate and the Parliament
Paragraph (1)(a), omit “practical”, substitute “practicable”.
Sub-paragraph (ba), omit “$500”, substitute “$750”; omit “$200” substitute “$300”.
Sub-paragraph (d), line 2, omit “is to”, substitute “may”.
After sub-paragraph (h), insert—
(i) When a senator who is using or displaying a gift ceases to be a senator, the senator may retain the gift:
   (i) if its value does not exceed the stated valuation limits of $750 for a gift received from an official government source, or $300 from a private person or non-government body; or
   (ii) if the senator elects to pay the difference between the stated valuation limit and the value of the gift, as obtained from an accredited valuer selected from the list issued by the Committee for Taxation Incentives for the Arts. The Department of the Senate will be responsible for any costs incurred in obtaining the valuation.
(j) If the senator does not retain the gift in accordance with paragraph (i), the senator must return the gift to the registrar, who shall:
   (i) dispose of it in accordance with instructions from the Committee of Senators’ Interests, as set out in paragraph 1(d) of this resolution; or
   (ii) arrange its donation to a nominated non-profit organisation or charity, at the discretion of the senator who has returned the gift and the Committee of Senators’ Interests.
(k) Any senator subject to paragraph (j) must formally acknowledge relinquishment of the senator’s claim to ownership of any surrendered gifts.

The motion before the Senate arose from recommendations made in report 2/2002 of the Committee of Senators’ Interests tabled on 20 June 2002. Notice of this motion has been on the Notice Paper for over 12 months while informal consultations amongst senators took place. The committee subsequently agreed to amend the notice of motion in respect of the value of gifts and assets required to be declared, and it is in the amended form that it appears on today’s Notice Paper. The thresholds of the amended motion are lower than originally proposed and in most cases represent a 50 per cent increase from 1994 values rather than a 100 per cent or greater increase.

I remind honourable senators that the motion also provides (1) for all senators to make a full declaration of interests at least once in each parliament and (2) for the requirements for each senator to declare relevant interests when first speaking or voting on a notice before the Senate to be removed. The committee recommended that the requirements to declare interests orally be omitted on the basis that each senator’s statement of registrable interests is already published. As the report notes, it is up to the individual senators if they decide it is necessary to alert the Senate to any particular conflict of interest relating to the private section of the statement concerning their spouses, partners or dependent children, or for senators who have not yet lodged statements of registrable interests to declare their interests publicly if
appropriate. I commend the motion to the Senate.

Senator BROWN (Tasmania) (6.06 p.m.)—I thank Senator Denman for informing us about the motion, and I move an amendment to the motion:

Omit:

Resolution 5—Declaration of interest in debate and other proceedings

To be omitted.

This is a very important matter. It goes to the heart of transparency in our dealings with all the public matters that come before this Senate. Since 1985, some 3,000 bills have come through the Senate, but there have been only about 120 declarations of interest on the floor of the Senate during that period. I know that that has irked some senators and that there is a certain sense of fragility about the requirement that we declare interest. But in practice it is a rare occasion when there is an interest which is sufficient to require a senator to declare it.

The need for that declaration is very great. There is a register of senatorial interests, but it is out of view and very often out of mind. There are two good reasons why the oral declaration in the Senate during a debate on a matter in which a senator has an interest should be made. The first reason is that it brings into the mind of that senator the fact that they have a pecuniary interest or that a spouse or partner has a pecuniary interest. It also brings it freshly to the mind of the rest of the Senate. That is very important. The other reason is that we are elected members from the Australian community and we cannot absent ourselves from a debate or a vote in this parliament. That is manifestly different from the situation which pertains in local government, where, if a councillor has a pecuniary interest, they are expected to absent themselves from the debate and from the vote. It is manifestly different from the situation in corporate Australia, where, under law, those on the board of a corporation are required to remove themselves from the board if they have a direct pecuniary interest—there are some exceptional circumstances—and not take part in the debate or the vote.

If senators look at our own standing orders—and many may not know this—they will see that in committees of this Senate it is expected that senators will not take part in a committee inquiry if they have a pecuniary interest. It is expected that they will absent themselves from it. That is not the case when the matter comes before the Senate itself. We cannot absent ourselves or fail to vote, because our voters have put us here to do that. Therefore, it is critical that the oral declaration of interest be made during the debate on the floor of the Senate.

The rule came into the Senate in 1994, having first been brought before it by former Senators Gareth Evans and Button in 1987. It came in after a lot of consideration, for the reasons I have just outlined. The whole of the pecuniary interest legislation, including the register, was, you will remember, Mr Acting Deputy President Chapman, vociferously opposed by the then members of the opposition. Senator Button referred to ‘the lassitude, indifference, obfuscation and neglect of opposition senators who on numerous occasions previously have sought to oppose this motion’.

On the occasion of the introduction of the rule in 1994, Democrat Senators Macklin and Coulter pointed to their concern that the oral declaration would be onerous for members of the Senate. I would have thought that the committee recommendation, and therefore the motion before the Senate tonight, could have dealt with that difficulty, if indeed it is there. It seems sensible to me that a single declaration of an interest in the course of debate on a bill would suffice. But to re-
move it altogether is unforgivable. Are we to go back two decades by effecting an advantage, through the debate and the vote we make, by removing the requirement that we as parliamentarians, when debating a matter in which we have a pecuniary interest—in which we have shares, real estate interests or financial interests of some sort, right across the board—declare that interest? It is wrong that we should not have to declare that interest during that debate.

There has been no adequate explanation for the removal of section (5) of the part of the standing orders dealing with the registration and declaration of senators’ interests, which requires that senators make an oral declaration. That is because there is no good reason for it. That is because there is no excuse. I know that there are senators here who have been embarrassed, annoyed and frustrated—and I have drawn attention to it—by the requirement on occasions to declare interests that they may have. I am talking about declaring interests in woodchip companies if we are dealing with logging legislation like the regional forest agreement, in mining corporations or coal companies if we are dealing with bills which give enormous corporate welfare and billions of dollars of it. That is the exact reason why we should have to declare it—and declare it here on the floor of the Senate so that, in a situation where the senator cannot be asked to leave the debate or not vote, it is clear to everybody that that senator has that interest.

It is most important that the senators themselves reflect upon their duty not to allow that interest to intrude or influence their participation in the debate or the vote that comes at the end of it. How can you do that in a debate if no declaration is made? I repeat that the register is there, but it is not readily available and is certainly not called to mind in this place when a debate takes place. The register has a very important function, but it does not replace the importance of making oral declarations when we come into this place.

I am astounded that the Senate is moving towards omitting section (5). I am astounded that, in a situation where no senator can forgo participation in a debate or a vote on a matter in which they have a pecuniary interest, we are saying through this amendment, ‘But we won’t declare it. We won’t have to declare it in debate in the Senate.’ We will go back 20 years to the bad old days when it was considered that a senator’s own wealth or commercial interest was not a matter for anybody but themselves.

We live in an age when there is enormous influence on senators—on all parliamentarians—by vested interests. That influence is heightened when one has a direct personal gain to make from voting for a piece of legislation which advances that interest. What logic can there be in not having a requirement that a senator declare such an interest in the debate? It is absolutely basic to transparency and good governance. The alternative is that we legislate so that no senator may have a pecuniary interest—certainly not in the corporate sector, which is benefited so often by the laws that we bring in through this place. You cannot do that, so you require the declaration. It could be improved but it cannot be abolished. That would go against the interests of good democracy and of transparency by all of us representing the Australian people in this place.

Senator NETTLE (New South Wales) (6.15 p.m.)—I have been speaking today with some of my colleagues who are members of local councils in New South Wales. If you are a local councillor in New South Wales you need to declare a pecuniary interest. You do not just declare a pecuniary interest by putting it down on a register of local councillors’ interests; where you have a
direct pecuniary interest, you need to declare it within the debate and state the nature of the interest. In a local council it may relate to your property being near the property the development application you are discussing is located, or it may relate to a cousin or a brother and their relationship with the development application that is being discussed.

You declare the interest in the local council meeting, you state the nature of the interest you have in the issue and then you do not participate in the debate. In fact, in New South Wales you go outside the chamber where the issue is being debated. It is not just a declaration you make by writing on a form that goes into the ether of bureaucracy, where nobody understands how to find it or remembers it when the debate is on. My colleagues who are councillors in New South Wales have made it clear to me that it is much more extensive than that. You declare the interest, you state its nature, you do not participate in the debate and you leave the chamber where the debate is occurring.

I do not know why the Senate seems to believe that it is above this process of having to declare pecuniary interests and having to make it clear what the issues being discussed are. I think it is really important that we put this in the context of the views of the general Australian population on parliamentarians and their pecuniary interests. What are the attitudes? What is the cynicism that exists throughout Australian society in relation to parliamentarians in chambers like this? It is extremely important that we put this debate within that context, and I will get to that later.

Going back to my home state of New South Wales, some local councils have a code of conduct—not a law but a code of conduct—whereby councillors have to declare any non-pecuniary interest as well. For example, if an issue being debated relates to a close friend of theirs or to a close colleague within the same political party, or if for some other reason there is a non-financial interest, they also need to declare that within the debate. This has been an extremely important issue of public debate in my home state, particularly in relation to local councils. Senators will remember the media attention—it has been all over the front pages of the Sydney Morning Herald—given to Rockdale City Council in my electorate.

As a result of the public debate about Rockdale council and the discussion around these issues there was an inquiry by ICAC, the Independent Commission Against Corruption in New South Wales. As a result of that discussion, one of the things that appeared to be the case in the instance of the Rockdale council was that councillors with a pecuniary interest might have excluded themselves from the debate on the floor of the chamber but there was nothing to disallow them from being involved in caucus decisions that determined how their colleagues voted on an issue in which they had a pecuniary interest. They did not involve themselves in the debate or the vote but they were perfectly entitled to be involved in the caucus decision on the position all of their party colleagues in the local council would take on that issue. So one of the recommendations made by ICAC as a result of the referral of the Rockdale council incident was that local councillors should not have the capacity to be involved in caucus discussion on an issue in which they have a pecuniary interest. It actually went further than that to say that they should not be caucusing on local council matters before voting on them. It has been very interesting to watch the effects on Marrickville Council, the local council in the area I live in, and how the way in which the ALP councillors in particular have been voting has changed since that ICAC recommendation came into play.
That is where the public debate is in New South Wales, my home state, in relation to local councils. Why then do I come into the Senate and find that, as Senator Brown said, the debate is several decades behind that public debate in New South Wales? Going back to what I was saying about the context in which this debate is occurring, I know that people in this chamber recognise the cynicism that exists in relation to parliamentarians in this country. In the attitudes and the conversations people in the community have about parliamentarians there are perceptions of bias and financial interest and there are a whole range of different criticisms. Here, in the debate on this motion, we have the Senate trying to slip through the removal from the guidelines of one of the few checks and balances that exists within our system to keep parliamentarians accountable.

What we need to be doing, and what the public debate in Australia is about at the moment, is tightening requirements for scrutiny of parliamentarians. The debate that has been taking place in this chamber and in the other place in relation to Minister Tony Abbott and the funds that parliamentarians are involved in reflect the general public’s perception of parliamentarians. The public debate is about tightening those rules and bringing in greater scrutiny and accountability for parliamentarians, not weakening the process like we are seeing the Senate try to do at half past six on a Thursday afternoon.

This proposal being put forward damages the democratic process. It creates greater cynicism when the public hear that, on a Thursday afternoon when most of the people had left the building, a proposal came up to take away the requirement for parliamentarians to declare their pecuniary interests when we come to these debates. This is what is being proposed. I am aware—and I am sure that many other people here are aware—that, when we talk to people in the general community, the cynicism that they have about parliamentarians and the role that we play come straight back at us. When things like this are occurring in the Senate, how can one defend those accountability measures and guidelines—as limited as they are—that are put in place?

Senator Brown talked about the capacity for there to be changes made to the current systems that we have. The Australian Greens are very strong supporters of making changes to the types of accountability that we have for parliamentarians. These relate to a whole range of issues and these are the same issues on which parliamentarians are accused of having their snouts in the trough over—for example, parliamentarians’ pay. Why can’t we have parliamentarians’ base rate pay increases linked to total average weekly earnings? Why can’t we have a superannuation scheme for parliamentarians that is based on the same scheme that other public servants have? We are public servants, why can we not have the same superannuation scheme as public servants across the board? Why do we not have to disclose how things like electoral allowances are used? Why can electoral allowances, if they are not spent, become a part of a parliamentarian’s pay? That greatly increases the cynicism in the capacity for parliamentarians to increase electoral allowances without having to increase their pay and therefore not face the same level of public scrutiny as if they are putting through a pay increase.

Why can’t we have public submissions to remuneration tribunals that make decisions about the entitlements that parliamentarians get? Why can’t we have these changes to help increase people’s recognition of the validity of the democratic process that we are involved in? Why can’t we have changes, like banning corporate donations to political parties, so that parliamentarians are not seen as being part of a snouts in the trough proc-
ness, which is people’s perception of what happens in parliament? We have an opposition in this parliament focusing on the Howard government’s ministerial code of conduct and focusing on the behaviour of parliamentarians, ministers and ministerial officials in relation to these matters—behaviour such as lying to the Australian public. That is why we must have a public debate around these issues—because of the public questioning the accountability of parliamentarians. *(Time expired)*

**Senator HUMPHRIES** *(Australian Capital Territory)* *(6.26 p.m.)*—I rise to indicate support for the resolutions that Senator Denman introduced. I am a member of the Standing Committee of Senators’ Interests and, like other members, I discussed the issues involved in the resolutions at length and feel comfortable in supporting the resolutions. Of course, the committee consists of a number of members from government and the opposition and a representative of the Democrats. There is not a representative of the Greens. I am distressed that they have reacted in the way that they have to the provisions, which were put forward consensually to the chamber for decision today on behalf of the whole committee.

The decision that the committee made in recommending that resolution 5 be removed is based, I think, on a question of practicality and how the effect of resolution 5 might be interpreted in the operation of parliamentary debates. I think that resolution 5 can be seen as a belts and braces kind of provision. The resolutions relating to declaration of senators’ interests are quite extensive. They go much further than any equivalent organisation that I could readily name. The requirement to declare a whole range of matters to do with a senator’s personal interests, pecuniary and otherwise, is a very extensive requirement. I am not aware that similar requirements exist in related or equivalent organisations. Senator Nettle has described to the Senate this afternoon how there are requirements in certain councils that she is aware of for certain things to be declared orally. That may be the case. I would be surprised if any council at the third tier of Australian government had provisions which were more extensive in terms of the written declarations that senators are required to make when they come into this place and on a regular basis thereafter.

The written declarations are added to in resolution 5 by a supplementary requirement to orally declare the senator’s interests at the beginning of speeches in debates and in certain circumstances in relation to divisions held at the end of debates. I have to say that I disagree with Senators Brown and Nettle in characterising the removal of the braces when the belt is still very much in place as a major assault on democratic values. The fact is that, under these provisions, a senator must still declare an interest which could be perceived to be an issue in respect of their participation in a particular matter or on a particular vote in this place.

A senator who fails to do that either in their written declaration or orally is clearly guilty of a fairly major error of judgment and would be held to account for that failure. A senator may satisfy that requirement, however, by completing and keeping up to date their written declaration of interests and, if necessary under the proposal put forward by the committee, supplementing that with an oral declaration in the course of a debate where a perceived conflict of interest may arise. But a requirement to do that automatically in every case, which appears to be the effect of resolution 5, would be unnecessary. The removal of resolution 5 requires that senators exercise judgment about when it is appropriate to bring forward a potential conflict of interest in respect of a particular mat-
ter or debate. I think that that is an appropriate judgment to exercise.

If a senator were to take part in a debate without having declared that interest in the register and without having brought the matter orally to the attention of the Senate, then that senator would be making a major error of judgment and would have to pay the consequences for that error of judgment. I think it is exceedingly unlikely, given the vigorous nature of public scrutiny in this place, that a senator’s decision to sweep under the carpet that conflict of interest would remain undiscovered. The fact that the declaration was not made orally in the course of the debate would be quite immaterial to that circumstance.

Senator Brown put forward an argument that I am not entirely sure I understand. I think his argument was that senators have a particular problem if they cannot absent themselves on divisions where they may have a conflict of interest, that they are required to vote on every matter that comes before the Senate. I am not sure of the basis for that argument and I cannot see anything in the standing orders that requires a senator to vote on every division. If there were such a standing order, I wonder how many times each week it is breached in this place. Senators miss divisions for a variety of reasons—sometimes because they are paired, sometimes because they do not consider it necessary to come to a division where the numbers are most disproportionate on one side of the chamber and participating would be unnecessary to influence the outcome, and occasionally because they are engaged in other things and miss the division. But I am at a loss to understand why it is that senators would be unable to absent themselves in a circumstance where there might be a conflict of interest.

Senator Brown—Would you do that if you were aware that that single vote made a difference? Senators do not cross the floor and they do not abstain.

Senator HUMPHRIES—I imagine that, if a senator were to find themselves in a position of conflict and felt unable to take part in the debate, they would go to their party whips and draw it to their attention and make suitable arrangements for that conflict to be obviated. Although I cannot speak for the whips, I would be very surprised if the whips, in those circumstances, were not prepared to take the necessary steps to accommodate that senator’s perceived conflict of interest.

Senator Brown—See how you get on.

Senator HUMPHRIES—I hope to not be in that position at any stage, Senator Brown, but I would certainly be prepared to test the waters on that proposition. The fact remains that what the committee has recommended and what Senator Denman has moved this afternoon does not remove the requirement for senators to properly declare conflicts of interest or perceived conflicts of interest when they arise. That is still required; it is still certainly required to be in writing in the declaration of senators’ interests; and it is still, in some circumstances, appropriate to put it orally to the Senate, but not in every circumstance. The requirement to declare a possible conflict of interest in every circumstance could be seen as cumbersome, burdensome and unnecessary. What the committee is doing by virtue of this motion is to squarely focus on the responsibility that lies on the shoulders of every senator to avoid the reality or the perception of a conflict of interest and to put onto their shoulders the need to appropriately declare such an eventuality if it arises.

In those circumstances it is quite appropriate and in no way an attack on democratic
values or principles to support this resolution tonight. It may be that this differs from arrangements in other places but I would be very doubtful that there would be many parliaments or equivalent bodies where public interest plays a role that would have such extensive requirements for the declaration of interests as is the case in this Senate.

**Senator CARR (Victoria) (6.35 p.m.)**—I am on my feet tonight to support the motion that has been moved by Senator Denman on behalf of the Standing Committee of Senators’ Interests. I do so in the context of this matter being raised in the order of business in circumstances that some senators would like to present as controversial. That is their right; they are entitled at any point in the proceedings to argue a case different from the majority of senators. I do not dispute that right; in fact, I think it is one of the great strengths of our system. But I also say this: the majority are entitled to have a view as well. Because we are on broadcast tonight and because everyone has gone home from the other place, I think it is appropriate that these sorts of issues be canvassed and that we understand them for what they are.

There is no doubt in my mind that there can be no division on this tonight, there can be no vote on this tonight. We have a circumstance where, under the standing orders, we cannot have divisions after 6 p.m. We are talking about people putting a view; that is all we are doing. There is not going to be a vote on this matter. I think that those who might be fortunate enough to listen to this tonight should understand the procedures in the Senate as they actually are. If people want to grandstand on this question I think they are entitled to do that but, equally, I say that they have to understand what is being discussed here.

**Senator Brown**—You are catching up fast.

**Senator CARR**—The standing orders of the Senate, as they currently stand, do require senators to make a declaration of pecuniary interests before any speech or before any vote at any stage in the proceedings before the chamber. This is in a context where we have quite detailed and extensive registrations of interests which, I might say, are well read, are well understood in this place, are available for scrutiny at all times and in fact are the subject of considerable publicity. So it is not as if an attempt is being made here by the committee to reduce the level of scrutiny, given the practicalities of how this place actually works.

I think we ought to understand precisely what does go on here. It is not as if we come into the Senate as members of the major parties with individual positions, able to vote individually, because we do not do that. The fact remains that, on both sides of this chamber, senators work on the basis of caucus positions. I do not complain about that. I say that is part of our political system. It is a reality and it is the basis on which I came in and joined the Labor Party. I work on the basis that I have an opportunity to put a view in the internal processes of the Labor Party. I win some of them; I lose some of them. But I do not complain about the process by which we make decisions.

I also know that there are occasions—and yes, Senator, I have been the manager in this chamber on other occasions for the opposition—when senators are faced with the situation where they are required to vote for circumstances which they find objectionable. I also know, as Senator Humphries has indicated, that arrangements are made whereby senators absent themselves from votes by pairing—a simple arrangement. That happens and it has happened for many years.

**Senator Brown**—On pecuniary interests?
Senator CARR—Even on questions of pecuniary interest. Where people suggest that there is a conflict of interest, and despite the fact that they are required to vote in the circumstances, I know there are circumstances where people do not participate in votes and pairing arrangements are made. Notwithstanding that, the substantive issue here is not whether there is conflict of interest. We understand that occurs time and time again when people are faced with a situation. I have raised questions here about the way in which we vote on issues of concern where we have a conflict of interest.

It does not necessarily affect me because anyone who wants to look at my pecuniary interests will notice that I own bugger all. I do not particularly think that that is something that we should run away from. I think that most of my colleagues on this side of the chamber do not have extensive personal wealth. I know that to be the case. I know that the declarations in that regard reflect that because it is a statement of fact. Members of the Labor Party are not personally wealthy, by and large.

On the other side of the chamber there are examples of people with significant personal wealth. I cannot say in every circumstance that they have voted properly in that regard, but I will say this: the critical issue to me is whether or not persons who have conflicts of interest are able to exercise significant influence in the decision-making processes that lead to a political party adopting a position. That is the critical question that needs to be highlighted. I have never seen a circumstance on our side where that has occurred.

On the other hand, I have seen Senator Hogg and many other senators say ad nauseam that they are former trade union officials—in fact, that some of them are current trade union officials. They declare their position on a regular basis. That is also declared in their pecuniary interests. Frankly, I do not believe that Senator Hogg should have to stand here on every single vote and indicate that he is a current official of one of our major industrial organisations in this country. It is well known. He is not ashamed of it. He is in fact very proud of it and he performs a very important function in that organisation. What is being proposed to us is that, under these standing orders, every time Senator Hogg gets up to speak or vote he should declare his position because most of the things we vote on in here affect the welfare of working people and directly affect the welfare of shop assistants. Under this proposal that the committee has brought forward the suggestion should be made—and the Labor Party will be supporting the suggestion—that that is not required.

Senator Brown—Senator Button brought it in!

Senator CARR—I come back to this simple proposition: these declarations of pecuniary interests are well read. They are the subject of extensive public debate—so they should be. There are ways in which they could be tightened—I acknowledge that. The issue of trusts, for instance, is one where I think people are able to disguise their wealth; they are able to disguise their influence in the economic sphere of this country. That does not mean, however, that the proposition brought before us by the Standing Committee on Senators’ Interests is invalid. That proposition goes to some practical considerations that go to the effective working of this chamber. At no point does this seek to minimise public scrutiny or public morality or ethics or the way in which we behave.

I would suggest that to come here at this time of the night, with the broadcast running, and to try to present us in the Labor Party—because it has been said on numerous occasions—and other parties in this chamber as
acting improperly is wrong. It is not based on the facts as they are before us. Given there is no division tonight, I expect at any point now someone is going to be able to move that this matter be adjourned so that we can have a proper debate about it and a vote. That is going to be the way to finally resolve this matter. Grandstanding here at quarter to seven on a Thursday night is not the way to do it.

Senator HOGG (Queensland) (6.43 p.m.)—I was not going to buy into this. But I think there are a couple of things that need to be said about it. There was an incorrect impression given in the address by Senator Nettle that this was brought on late on a Thursday afternoon for some obscure reason. Let us say, firstly, that it was brought on where it was because that is the order of business. That was not in anyone else’s control other than the standing orders of this parliament.

Senator Brown interjecting—

Senator HOGG—Senator Brown, you had your go, so give someone else a go. The second thing is that there is no opportunity for a division to take place in this chamber post 6 p.m. on a Thursday. The matter was introduced in accordance with the order of business of this place—and there is an order of business—as it properly should have been. Senator Denman has properly delivered her report. Given the amendment proposed by Senator Brown—which I acknowledge, Senator Brown, you are quite entitled to move; I am not trying to deny you that—the proper course of action is for this matter to be adjourned at the end of this debate for determination when divisions can take place.

Having said that, I want to support the comments in this debate of Senator Humphries and Senator Carr and I want to make a few myself. Senator Carr was quite right in saying that one of the most read documents in this place is the Register of Senators’ Interests. It is not something that is hidden from view. When I became aware that this debate in the chamber was picking up some legs, I went into my room and pulled out my copy of the Register of Senators’ Interests. It would not be beyond me to read everyone’s interests into the Hansard this evening, but of course I have no intention of doing that. That is the good point! So that the public out there—and there are members of the public out there listening—understand what we are talking about, I will take the chamber briefly through what is contained in the declaration that a senator makes. Every senator signs this in good faith. Where a senator alters something that should be noted in the register of interests, it has to be notified within 28 days. Every time a senator is freshly elected to this place, a senator goes through the process of filling out a new declaration. There is a committee of this parliament that oversees the operation. I will read from my declaration so that no other person can worry about any of their details—if they want to declare them, they can. It reads:

1. SHAREHOLDINGS IN PUBLIC AND PRIVATE COMPANIES (INCLUDING HOLDING COMPANIES) INDICATING THE NAME OF THE COMPANY OR THE COMPANIES.

In my case it says, ‘Self’ and my declaration says, ‘NIL’. Then it reads:

2. FAMILY AND BUSINESS TRUSTS AND NOMINEE COMPANIES—

(i) in which a beneficial interest is held, indicating the name of the trust and the nature of its operation and beneficial interest;

There are four columns, but only three are of any import. One says:

Name of trust/nominee company.

The next says:

Nature of its operation.

The last says:

Beneficial interest.
In my case it reads, ‘Self’ and there is no entry—it reads ‘N/A’ because it is not applicable. Then the second part is:

(ii) in which the Senator, the Senator’s spouse or partner, or a child who is wholly or mainly dependent on the Senator for support, is a trustee (but not including a trustee of an estate where no beneficial interest is held by the Senator, the Senator’s spouse or partner or dependent children), indicating the name of the trust, the nature of its operation and the beneficiary of the trust.

There are the same headings as in the previous part. Again it reads: ‘Self’ and ‘N/A’.

Next is:

3. REAL ESTATE, INCLUDING THE LOCATION (SUBURB OR AREA ONLY) AND THE PURPOSE FOR WHICH IT IS OWNED.

In my case it reads, ‘Self’ and ‘CARINDALE’, which is the suburb in Queensland I live in, and after it I have ‘(CO-OWNER)’ which means I co-own it with my wife—and, more likely, with the bank—and under ‘Purpose for which owned’ I have put: ‘FAMILY HOME.’ So we are going through some real riveting stuff!

4. REGISTERED DIRECTORSHIPS OF COMPANIES.

The headings are ‘Name of company’ and ‘Activities of company’. Underneath it reads: ‘Self’ and ‘N/A’. I am pretty dull and boring!

5. PARTNERSHIPS, INDICATING THE NATURE OF THE INTERESTS AND THE ACTIVITIES OF THE PARTNERSHIP.

The headings are ‘Name’, ‘Nature of interest’ and ‘Activities of partnership’. Underneath it reads, ‘Self’ and ‘N/A’.

6. LIABILITIES, INDICATING THE NATURE OF THE LIABILITY AND THE CREDITOR CONCERNED.

In my case it says, ‘Mortgage’ and ‘Westpac’. Everyone now knows I bank with Westpac, which would be no secret if you had seen me go to the Westpac teller.

7. THE NATURE OF ANY BONDS, DEBENTURES AND LIKE INVESTMENTS.

Then there are two columns: ‘Type of investment’ and ‘Body in which investment in held’. Underneath it reads, ‘Self’ and ‘N/A’.

8. SAVING OR INVESTMENT ACCOUNTS, INDICATING THEIR NATURE AND THE NAME OF THE BANK OR OTHER INSTITUTIONS CONCERNED.

The columns below are headed ‘Nature of account’ and ‘Name of bank/institution’. I have a savings account—and I have declared that—with the Queensland Teachers Credit Union. That is not something you would not suspect, given that at some stage in my life I was a teacher. And I have declared a savings account—surprise, surprise!—with Westpac.

Then we go to:

9. THE NATURE OF ANY OTHER ASSETS (EXCLUDING HOUSEHOLD AND PERSONAL EFFECTS) EACH VALUED AT MORE THAN $5,000.

Then, where I have to list the nature of any other investment, I have written: ‘PERPETUAL INVESTMENTS (PRESERVED SUPERANNUATION)’. Then there is:

10. THE NATURE OF ANY OTHER SUBSTANTIAL SOURCES OF INCOME.

The heading under that is ‘Nature of income’ and underneath it reads, ‘Self’ and ‘N/A’. People might be becoming a little bit bored with my personal history, but it goes to show that people in this chamber make a fairly rigorous declaration. I could go on. There are only four headings left, but I do not think I am going to have the time to do that. Maybe at another time and another place I could.

What I am saying to the Australian public is that the people in this place are transparent and accountable in the way in which they handle both themselves and their business. As Senator Carr alluded to—and I agree with him on some occasions—the nature of trusts and how those trusts operate leave a lot to be
desired. But the information is clearly available and clearly declared and it is, as Senator Carr said, one of the most well-read documents that one could hope to find. There are a couple of other things on this declaration I should go through. One is:

12. ANY SPONSORED TRAVEL OR HOSPITALITY RECEIVED WHERE THE VALUE OF THE SPONSORSHIP OR HOSPITALITY EXCEEDS $200.

This is not hospitality or sponsored travel but, because I am an elected delegate of the national council of my union—which is a properly held position, elected through the Australian Electoral Commission—I am entitled to attend the national conference of that union on an annual basis. And what do we find? I have declared that I am a delegate to the National Council of the SDA—that is the Shop Distributive and Allied Employees Association—wherever held.

Senator Ludwig—A fine union.

Senator Hogg—A fine union, as Senator Ludwig interjects. Then I go to item 13, which says:

13. BEING AN OFFICE HOLDER OR A FINANCIAL CONTRIBUTOR DONATING $200 OR MORE IN ANY SINGLE CALENDAR YEAR TO ANY ORGANISATION

I have named the organisations. They are the All Hallows Foundation Ltd, which is the school where my two young daughters went, and St Joseph’s College Gregory Terrace Foundation, which is the school where my son went. I am a member of the Catholic Church—I donate to it—so I have declared that. I have declared St Vincent de Paul, because I believe in looking after the poor. I am the President of the SDA Queensland Branch and I have declared that. What conflict I have there I do not know. I have also declared the fact that my sister-in-law is on the board of a number of companies, but I do not see how that would interfere with what I do here. I think what has been trotted out here tonight has been nonsense indeed. (Time expired)

The ACTING DEPUTY PRESIDENT (Senator Chapman)—I should point out that there has been some comment that this matter cannot be determined tonight, but in fact it can be, provided there is no call for a division; it can be determined on the voices.

Senator Bartlett (Queensland—Leader of the Australian Democrats) (6.53 p.m.)—I think it appropriate to make some comments on this matter. It is a matter that goes to issues of accountability and transparency in the Senate. It is fair to say that, more than any other party, the Democrats have a record of trying to improve transparency in parliamentary, electoral, political and corporate processes.

There are a few things that need to be highlighted in relation to this debate. For those people who have been following it to this stage, it is important that we put this in context. I should say at the outset that I support Senator Brown’s amendment to prevent the removal of section 5. I have to say, however, that I think he and Senator Nettle have rather overstated their case in a lot of aspects. I understand why it happens—and the Democrats no doubt have done it as well. Whilst we talk a lot about the need for removing cynicism from people’s perceptions of politicians, I think if we occasionally exaggerate the impression that there is evil under every rock then we help to reinforce that cynicism unnecessarily. Some of the inferences that could be drawn from the contribution of the Greens this evening overstate the suggestion that there is evil under every rock—or perhaps under every senator’s seat.

The Democrats were part of ensuring that the components in these standing orders to do with the declaration of senators’ interests came into force. The context in which this
motion has come before us does need to be emphasised. Indeed, the suggestion that somehow this has been slipped in without notice on Thursday night is a bit unfortunate because, as Senator Denman said, the motion has been around for more than a year. The motion came into this chamber before Senator Nettle came into this chamber. The report that the committee brought down at that time gave its rationale for why it wished to do what it wanted to do. People are free to disagree with that, and I am suggesting that I disagree with it as well.

After things such as the Register of Senators’ Interests have been in place for a time, it is appropriate to review how they are going—whether they can be improved, whether there are parts that are unnecessary and whether there are parts that are not working. I would say that a part that is not working is the part that we are talking about tonight. The key issue is whether we say, ‘It’s not working; let’s get rid of it—it’s unnecessary,’ which is what the committee suggested, or whether we say, ‘It’s not working—let’s see whether we can make it work in a way that meets its intention.’ I certainly think that would be the better path to go down. As Senator Brown said, there have been 3,000 pieces of legislation since 1984—when this came in—and only 120 declarations of interest. I think that is what he said; it is what I have jotted down, so I hope I am repeating him correctly.

I think what that says is that it has not worked. Depending on how you define a pecuniary interest or a non-pecuniary interest, with some of the things that Senator Nettle was suggesting about non-pecuniary interests such as issues affecting friends or relatives or organisations you are involved in, you would be faced with a situation where people would be required to verbally declare an interest in at least every second piece of legislation. If everybody were required to do that for every division on legislation, all 76 of us would be standing up. It could involve tax legislation, superannuation legislation, in some cases family law legislation, social security legislation and legislation to do with clubs, schools and unions. It is not just about businesses and corporations; it is about other parts of society that are continually affected by legislation that is passed through this place.

In his contribution, Senator Humphries said that the committee felt that it is just not a practical approach and, given the transparency and comprehensiveness of the Register of Senators’ Interests, that it is not necessary. I am not convinced that that is the case. I do see the rationale that if we had 76 people all standing up and verbally declaring an interest before every second division—which is technically what could be required, depending on how tightly you wish to define an interest—it would not be practical or workable and it would be counterproductive. But I do think it is possible to look at ways to refine the measure rather than just chuck it out. We need to look at how we define an interest—what is an interest and how broadly do people expect us to acknowledge interests?

From Senator Hogg’s contribution, it does not sound as though he is interested in very much at all. But, even from the ones he did declare at the end, while he might not have many interests in the financial world he has interests in church organisations, in charities and in schools. They are affected by a lot of legislation, including some we have debated today.

The question I asked today about the migration sponsorship legislation, which potentially can affect MPs who wish to sponsor temporary visitors to this country, is an issue that can affect and is of interest not just to individual MPs but also to us in terms of family and other people who we may know.
The concern that I have with the amendment the Greens have put forward is its extremely purist approach. If we are going to be purist and we keep the standing order in place then we would have all 76 senators declaring interest on virtually every piece of legislation. That is not practical and I do not think that it is terribly helpful.

It does need to be said that the Register of Senators’ Interests is comprehensive and it is publicly available, so I do object to the very strong inference that somehow there is a lot of skulduggery and everybody is trying to hide something. That is not the case. It is quite open and public—

Senator Hogg—You read it often—I bet.

Senator BARTLETT—There are too many people with no interests and I do not find the Register of Senators’ Interests very interesting. At the same time, leaving aside all the politics and the other aspects, the principle of specifically acknowledging an interest in an area when it is before the chamber in debate is an important one. It is one I would not like to give up on just yet. A lot of us do it informally in any case when an issue is before the chamber. I think we all have an interest in electoral law but I do not recall all of us standing up and declaring that interest every time we have a division or amendments to the Electoral Act, for example.

There is a case for seeing if the principle can be made to operate effectively. I say that because I do not think it has operated effectively, and Senator Brown’s own statistics show that it has not operated effectively if there were only that many declarations of interest over that period of time with such a large number of pieces of legislation. Those senators who want to get rid of the standing order are saying that it is not operating effectively and therefore it is pointless. I would say that the principle is still important, so let us see whether we can try to make it operate effectively. That is the approach that I would like to see the Senate take.

The ACTING DEPUTY PRESIDENT (Senator Chapman)—The question is that the amendment moved by Senator Brown be agreed to. On the voices a division is required. I remind honourable senators that if a division is called for on a Thursday after 6 p.m. the matter before the Senate shall be adjourned, pursuant to standing order 57(3), until the next day of sitting at a time to be fixed by the Senate. Accordingly, the matter is adjourned.

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (7.03 p.m.)—I move:

That the votes be taken immediately after prayers on the next day of sitting.

Question agreed to.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Chapman)—Order! There being no further consideration of committee reports, government responses and Auditor-General’s reports, I propose the question:

That the Senate do now adjourn.

Multicultural Affairs: Citizenship National Youth Roundtable

Senator TCHEN (Victoria) (7.03 p.m.)—Yesterday in the Mural Hall of Parliament House, I was a happy witness when the Minister for Immigration and Multicultural and Indigenous Affairs, the Hon. Philip Ruddock, in company with the Minister for Citizenship and Multicultural Affairs, the Hon. Gary Hardgrave, launched a portrait of the Australian community at the 2001 census called The people of Australia. This is a publication by the Department of Immigration and Multicultural and Indigenous Affairs based on the 2001 Australian population and house-
hold census conducted by the Australian Bu-
reau of Statistics

These statistics in themselves make fasci-
nating reading. For example, as a result of
migration, we now have 64,000 more New
Zealanders, 32,000 more Chinese and 24,000
more South Africans in 2001 than we did in
the 1996 census. Also, largely through our
humanitarian resettlement program, in 2001
we had almost 2,500—an increase of 103 per
cent—more Sudanese and 10,000—an in-
crease of 75 per cent—more Bosnians than
we did in 1996. This is an achievement that
very few of those who denigrate our strict
but fair border protection measures are ready
to acknowledge.

Statistics, however, make for a boring
topic. More importantly, this publication—as
Minister Ruddock noted in his address at the
launch—emphasises how lucky we all are to
be living in a country that is as culturally
diverse, tolerant and friendly as Australia.
Indeed, since the end of World War II when
our immigration program started in earnest,
we have through migration created a society
in Australia that is home to people from over
200 countries, who practise more than 100
religions and who speak over 200 different
languages. Anywhere else in the world, as
recent history shows, sadly this outcome
could have been a recipe for disaster. Yet, in
Australia, the presence of people from such
diverse backgrounds has produced, as the
20th century has ended and the 21st century
has begun, a vibrant and interesting place for
all to live.

This makes Australia the success story of
human and humane society since recorded
history. It is a success that is made possible
through the conception and adoption of a
positive, pluralistic, multicultural and com-
munal nation-building ideal. The willingness
by the Australian people to accept and to
incorporate the ideas and cultures brought
here by all its citizens has ensured this suc-
cess. We benefit from this diversity in many
ways. Our new citizens from other lands
bring with them many skills, talents and
commercial contacts. These attributes con-
tribute significantly to the economic wellbe-
ing of this country.

Research by the department, quoted yes-
terday by Minister Ruddock, has shown that
such a new citizen, a skilled migrant, on av-
average would make a net contribution to the
Commonwealth’s budget of around $26,000
over the first four years and around $75,000
over the first 10 years. The presence of new
cultures, new ideas and new ways of seeing
the world helps our society to become more
mature, more considerate and more skilful in
dealing with other people of the world,
which, as we are constantly reminded, is a
shrinking place. In this regard the links that
migrants continue to maintain with their
home countries are especially important to
this nation in our dealings with other nations.
These links have strengthened our connec-
tions with our Asian neighbours and our
more distant, more traditional, source coun-
tries.

The Prime Minister recently made his
fourth visit to China and in return we expect
the Chinese President to visit Australia in
October. At the same time the US President
will also be visiting Australia. Such historic
events are a clear demonstration of Austra-
lia’s ability to punch above our weight in the
international arena. That is an ability that can
only come from our internal strengths, de-
rived from our vibrantly diverse and produc-
tively cohesive society. I am pleased to par-
ticipate in the launch of this source book that
is also a celebration of Australian multicultu-
ral society.

The census statistics provided in The Peo-
ple of Australia also show us something else:
we are reminded that while societal diversity
has benefited all of us it also brings with it some responsibilities. The early post Second World War migrants, people from Italy and many other European countries, played an important part in building modern Australia. They came here as young men and young women and helped build the Australia we have today. More than 50 years on, however, these migrants are mostly in their sixties and seventies, and some are older. The demographic reality is that migrants age like the rest of us. According to the Australian Institute of Health and Welfare, almost 30 per cent of our elderly population will be from culturally and linguistically diverse backgrounds within 10 years. Clearly, this projected situation will add to the challenges of an ageing population.

As Minister Ruddock noted, to face this added challenge of providing culturally appropriate services we need close partnerships between communities, aged care providers and governments at Commonwealth, state and local levels. I will use an example which Minister Ruddock also used. In the local area of Port Adelaide, approximately one in five people was born in non-English-speaking countries. Of these, around 5,000 do not speak good English. For some of these 5,000 people this may not be an issue. Some could be recent migrants who are undertaking English language tuition as part of the Adult Migrant English Program, which is a Commonwealth responsibility. Nevertheless, a significant number would be children who would be expected to go to school. Delivery of language services to these children is a state responsibility—and sometimes in private schools it is a community responsibility.

But the data from *The People of Australia* show more than just where Australians have come from. One of the issues these data highlight is the drift from rural and regional Australia to our capital cities and to coastal regions. The loss of population in these regions can be accompanied by a decline in essential services and skills. Left unremedied this can lead to a general lowering of opportunities, expectations and living standards for the people left behind and an inability to attract and retain new people. These are problems that the Howard government has addressed for seven years and will continue to remedy.

These are problems of far more concern than the drought that was the subject of Senator O’Brien’s urgency motion debated earlier today. The drought was last year’s problem. It is a problem which the Howard government has already put in place long-term strategies to ameliorate—as senators on this side comprehensively demonstrated during the debate.

I was reminded how out of touch the Labor Party and Labor Party politicians really are when I had the great pleasure of attending the presentation of the National Youth Roundtable 2003 projects this morning. The National Youth Roundtable is a youth initiative of the Howard government, providing young Australians with an open channel for dialogue with the government and an opportunity to directly participate in the policy formulation process. The roundtable brings together some 50 young people—but on this occasion 49—aged between 15 and 24 who meet with the Australian government to discuss issues that affect their generation. Roundtable members include young people from all states and territories, from metropolitan and regional areas and from various cultural backgrounds. The members, whether they are studying, caring for others, looking for work or working, bring to the roundtable a wide range of experiences and viewpoints. Members’ experiences from being involved in local community activities and their knowledge of local youth issues are also assets to the roundtable. I was extremely impressed, as I have been in previous years, by
the quality of the young people who attended this roundtable. I seek leave to table and incorporate a list of the participants in this year’s roundtable together with brief biographical details. It is a public document.

Leave granted.

The document read as follows—

National Youth Roundtable 2003

Members and Projects

Youth Services and Support Team

Emma Barritt
Lyndoch, SA

Emma is a 21-year-old student at Flinders University, where she is studying for a PhD in History. In 2002, she acted as a Respite Volunteer with Red Cross and in 2001, worked as a Community Support Worker for Elizabeth Family and Youth Services, both in a volunteer and professional capacity. Having grown up on a large sheep grazing property in the Barossa Valley Ranges, Emma is primarily concerned with understanding the barriers facing rural youth in accessing opportunities and resources that are more readily available to Australians living in non-rural areas.

Emma looked at the barriers facing rural young people in relation to education. She seeks to address rural young people’s difficulties in attending university and has investigated higher education drop out rates. Issues she has explored include financial difficulties, scholarships, youth allowances and asset testing of families. Her project explored ways of removing barriers that prevent rural young people from accessing higher education opportunities.

Shay Nichols
Lyndoch, SA

Shay, 20, sits on a student network board in her community and participates in a range of community activities and programs. Shay grew up in rural Australia (the Barossa Valley) and became a mother at the age of 18. From these experiences, Shay has developed an interest in the availability of support services for young parents. It was this interest that prompted her to become involved with Shine SA (Sexual Health, Information, Net-working and Education) as a Youth Advisory team member.

Shay has researched existing support services for young parents. She is keen to see an increase in both the awareness and availability of support services to young parents. Shay would like to see the creation of a uniform young parents’ support group that puts people in touch with relevant services. She is particularly interested in piloting a project that assists young parents to stay in school and focuses on childcare options at schools and universities.

Mimi Zou
Campsie, NSW

Mimi, 18, has been involved with a number of community organisations, is the current chairman of Canterbury Youth Council and was elected the Student Welfare Captain for her school. It is through her work with the Youth Council that Mimi has recognised the importance of expanding leadership opportunities for young people from a range of backgrounds. In appreciation of her extensive involvement in the community, Mimi received an International Year of the Volunteer Award of Recognition from the Prime Minister.

Mimi is keen to explore the adequacy and availability of youth services in her area. She has explored the levels of awareness about the services available to young people. She has identified that issues affecting young people in her area include education, job seeking assistance and training opportunities. Mimi has produced a multimedia resource promoting the range and availability of youth services in her area.

Jordina Rust
Balwyn, VIC

15-year-old Jordina attends Methodist Ladies College where she has been an active member of the SRC. A volunteer for a number of charities, she has also been involved with youth programs such as Reach Youth Victoria and the Borroodara Young Leader Program.

Jordina has examined how children’s rights in the Family Court can be advocated for and protected. Part of her project explored the possibility of creating the position of a Victorian Children’s Commissioner/Ombudsman. Jordina is passionate
about children’s rights and is keen to see that they are met and that children’s opinions are taken into greater account in court decisions.

Corey Pearson
Flagstaff Hill, SA
Corey, 24, is a member of the Sturt Community Programs Unit of the South Australian Police. During his two years with the unit, Corey has been a board member of the Hallet Youth Project, acted as a Blue Light Camp supervisor, and worked with ‘at risk’ children in the Living Skills program. As a youth officer with the SA Police, he has participated in a number of school programs designed to enhance police/youth relationships. Corey was recently a finalist in the ‘SA Great’ South Australian Youth Ambassador Program and was awarded a Rotary Youth Leadership Award. Corey is interested in comparing the SA Juvenile Justice System against other state and territory systems.

Corey aims to explore better ways to address young people and ‘graffiti-making’. He is keen to examine alternatives for young people to legally conduct their graffiti art. Corey has investigated ways councils around the country deal with this issue and look for potential solutions, such as graffiti walls at skate parks.

Jayde Kelly
West Kempsey, NSW
Jayde, 20, is a young Indigenous woman interested in Aboriginal Mentorship programs and improving services to the Aboriginal community and young people. Active in her community, Jayde is involved with a number of sporting organisations and has been associated with a juvenile justice committee. In 2000, Jayde received an Aboriginal Achievement Award from the Kempsey NAIDOC week committee. Jayde is interested in improving services to the Aboriginal community and the young people in her local community. Jayde is involved with a number of sporting organisations and is currently the coach of a junior netball team. Jayde has looked into setting up an Indigenous Youth Advisory Council in her area.
having lived independently for some years while
his parents are working overseas. Actively in-
volved at university and within his community,
Jonathan is a member of the Blacktown City
Council Sister City Committee and the Peer As-
sistance Support Scheme at his university. Jona-
than was selected to represent his university at the
China Synergy Programme for Outstanding Youth
in 2002.

Jonathan looked at a variety of projects involving
helping ‘at risk’ young people, and evaluated their
effectiveness. His project’s objective is to develop
a set of guidelines that will assist in the develop-
ment and betterment of future and current life
skills programs.

Tonya Booth
Burketown, QLD

Tonya is a 20-year-old Indigenous student of hor-
ticulture from Burketown on the Gulf of Carpen-
taria. She has worked for Pasminco’s Century
Mine and has first-hand knowledge of the suc-
cessful partnership between this mine and Native
Title claimants.

She has been extremely active in developing and
promoting youth activities in the region and their
value in assisting young people in remote com-
(continues)
now interested in looking at education in rural and regional areas.

Kathleen’s project dealt with rural students and their perceived image of schools and schooling. It explored issues such as accessibility and effective distance education.

**Meredith Ellis**  
*Altona, VIC*

17-year-old Meredith attends Westbourne Grammar School. Both Meredith and her twin sister have cerebral palsy and Meredith is interested in the challenges which face a family with dependents. Meredith also wants to look at transitions to independence and how these can be more adequately handled for young people in her situation. She is active in the Cerebral Palsy Support Network and has spoken at a number of functions to raise awareness.

Meredith explored a project to help young people with disabilities acquire work, both through awareness programs for employers, and support for prospective employees.

**Alice Barnes**  
*Ballarat, VIC*

Alice, 19, finished Year 12 at Ballarat Secondary College last year. A member of both the Ballarat City Youth Council and the Ballarat FREEZA Group, Alice has also been a coordinator at the STUFFEST Youth Forum and the Youth Week Express Yourself Forum and a participant in the Reversing the Drift Youth Summit. Alice believes that having a positive youth voice is particularly important in regional areas and is interested in expanding youth leadership and youth development activities.

Alice’s Brighter Futures project aims to improve learning outcomes for students of all ages by more closely involving their parents in their education, promoting active learning and enabling these young people to feel confident about their futures.

**Vicki Schultz**  
*Darwin, NT*

Vicki, a 23-year-old, is a public servant for the NT Government. She is the Secretary of the NT Foundation for Young Australians Youth Grant Makers Committee and was the Chair of the Chief Minister’s Roundtable of Young Territorians in 2001. Vicki has been actively involved in National Youth Week (NYW) events for a number of years and was on the NYW Steering Committee for 2002. She has been on the judging panel for several awards, including the Chief Minister’s Tribute to Territory Women Awards in 2003 and the Young Australian of the Year Awards (NT) 2002.

Vicki’s project looks at the transition of young Territorians from care to independence.

**Housing and Accommodation Team**

**Rachel Hillman**  
*Collaroy, NSW*

20-year-old Rachel, who is employed full-time as an administration assistant, is interested in drug abuse prevention and treatment and supporting transitions to independence. Having participated in Youth Off the Streets long-term residential programs, Rachel would like to see more programs helping young people make the transition to independence from residential care. Rachel has assisted in drug awareness programs, has been involved with a number of youth leadership programs and represented Youth Off the Streets at a Youth Conference in the USA.

Rachel has assessed the experiences of young people with drug and alcohol issues who have been through rehab and are making the transition back to the community.

**Josh Moyes**  
*Byron Bay, NSW*

Josh, 18, completed his HSC at Mullumbimby High in 2002. Josh has personal experience of homelessness in a regional area. Despite the considerable hardship of living independently, Josh has volunteered a large part of his time to a number of community events—working voluntarily at a retirement village, at the local radio station and assisting with drama workshops. He has been involved in focus groups and community forums regarding youth homelessness and believes he brings a ‘grass roots’ perspective to the Roundtable.

Josh researched crisis living situations and future-orientated housing in rural areas. He has also explored how youth services, such as role models,
employment, education, legal and financial services, can be better integrated into long-term residential accommodation.

**Lachlan Cameron**

*Dalveen, QLD*

Lachie, at 17, has for the past three years been a Young Ambassador for Warwick Shire Council. He is captain of the Scots PGC College and is extensively involved in debating, public speaking and youth forums. Living on a farm, he has a keen interest in the problems facing young people in rural areas. Lachie believes strongly in the value of opportunities such as the National Youth Roundtable for enabling young people to give something back to their communities and sees the active involvement of all young people as crucial for the success of youth-based projects.

Youth homelessness is widely recognised as a significant problem in Australia. However, Lachie feels an important facet of this issue remains unaddressed—youth homelessness in rural areas. Lachie has identified that in the rural town of Warwick, Qld, and its surrounding areas, there is no form of youth accommodation and has conducted a survey of over 1500 students in the Warwick shire area to develop a picture of young people’s views on this issue.

**Rebecca Flood**

*Marangaroo, WA*

Rebecca is a young single mother and at 23, she has overcome many personal difficulties to establish a career in youth work. Now that her daughter is in school, she is working for a youth crisis accommodation centre and completing her degree part-time at Edith Cowan University. Rebecca is keen to share her first-hand experience of working with homeless youth.

Rebecca has researched the issues facing young people who are homeless or at risk of becoming homeless in Perth. She has also explored the need for residential services for young people suffering from mental illness.

**John Maynard**

*Claremont, TAS*

John, 16, is a Palawa student at Claremont College. In 2002, John worked with Elders and Indigenous students at Aboriginal Community Connections and undertook work experience with the Tasmanian Aboriginal Centre. John, through experience, has developed views on Aboriginal and foster care issues, which he has expanded upon through his experiences with the Roundtable.

John is interested in Aboriginal youth and homelessness and has focused on the Tasmanian Aboriginal community. John would like to establish an Aboriginal drop-in centre in Hobart to combat the high rates of Aboriginal homelessness he has observed there.

**Jessica Mouthaan**

*Casuarina, NT*

At 24, Jessica is a full-time youth and education services coordinator for the Australian Red Cross in Darwin. She assists in the coordination of a range of youth services, including the SHAK youth drop-in centre, which has given her an insight into the challenges faced by young people in the Northern Territory. As the carer for her older sister, Jessica is committed to living in the Territory and further building local networks. During her time on the Roundtable, Jessica has looked at how young people with mental health issues access independent living in Darwin.

Jessica surveyed young people and local service providers to ascertain what services were available to young people with mental illnesses, young people’s knowledge of the community services available and how accessible they were to young people. She has recommended strategies that aim to promote greater awareness of the services available to young people with mental health issues and establish a youth specific support group for young people with mental illnesses.

**Mary Nasser**

*Rowville, VIC*

Removed from home at the age of 16, and having spent two years in foster care, Mary, now 19, is interested in how young people can mature and develop independence skills from their carers. She has been accepted into the Lead Tenant Program with the Regional Youth Accommodation Programs in Victoria and volunteers her time with homeless young women.

Mary looks forward to being a carer herself and wants to pass on her qualities and skills to other
young people in need. She is developing a Code of Practice for foster carers and lead tenant carers. She hopes this lead to an increased number of placements for young people in need of accommodation.

Health Team

Tegan Cohen
Corowa, NSW

17-year-old Tegan attends Corowa High School, where she is a prefect involved in the Peer Support Mediation program and chairs the charity committee. Actively involved in her local community, Tegan was a founding member of the Corowa Youth Council. She was one of 48 young Australians selected to participate in the Rotary Adventure in Citizenship program, held in Canberra.

Tegan investigated health issues affecting rural young people. Through her report she demonstrates how negative aspects of school culture can contribute to the ineffectiveness of a secondary school’s health network.

Alice Chang
Douglas, QLD

Alice, at 22, is studying medicine in Townsville, Qld. She won the 2001 John Flynn Rural Health Scholarship and her long interest in health issues for young people has seen her working as a volunteer for the Townsville Aboriginal Health Service, the Queensland Drug Summit, for the Red Cross at Princess Alexander Hospital and as a Community Sexual Health Educator for Queensland Health. Alice is the 2003 Young Queenslander of the Year.

Alice’s project examined the current and re-occurring health needs of young people in Townsville, with the goal of starting up a youth clinic. She has successfully coordinated various youth services and Government agencies to provide support and information, in the form of a health services flyer, to households in her community. As a first step towards her holistic youth health service, Alice has started a popular Alcohol Overdose First Aid workshop at her university, where she is looking towards targeting senior high school students for ‘schoolies week’ next year.

Anamika Sharma
Moonah, TAS

Anamika is a final year medical student who has a strong commitment to helping out in her local community. She is currently training to be a Lifeline volunteer and participates in Red Cross fund-raising activities. She is an active member of the Multicultural Council of Tasmania’s Youth Group and is also a presenter on the local Community and Multicultural Broadcasters Inc. radio program. In the near future, she plans to participate in programs that volunteer services of medical personnel in disadvantaged areas of Australia or internationally.

Anamika is very interested in primary preventative health issues, specifically tobacco smoking. Although the harmful health effects of tobacco smoking are primarily seen in later life, the habit can be more effectively discouraged or prevented in the youth population. Anamika, in collaboration with representatives of the state Public and Environmental Health Service, plans to investigate the views of local state politicians about current smoking legislation in Tasmania. The results and conclusions of this study will be able to be used to help tailor anti-smoking groups’ actions to the needs of policy-makers, with the ultimate aim of producing a smoke-free Tasmania.

Daniel Hunt
Westminster, WA

Daniel is a 19-year-old from a remote community. He has seen the effects of diabetes and renal failure on his family and community and this has led to him study at the University of Western Australia with a view to a career in medicine. He is also a volunteer for Djooraminda, a respite program for young Indigenous children in foster care, and is an organiser with the Western Australia Student Aboriginal Corporation.

Daniel has a keen interest in preventable diseases, particularly renal failure and diabetes. He investigated Australian young people’s awareness levels about these two preventable diseases. He aims to find an effective medium by which to inform young people about their health needs.
Andrew Higgs
Fitzroy, VIC

Andrew, 20, was a recent envoy to the 15th Ship for World Youth Program. Devoted to the youth movement since his Rotary Exchange abroad, Andrew seeks to gain an appreciation of concerns in the areas of health and education as an executive on his local youth council. As Prime Minister of the Australian Centenary of Federation National Youth Parliament and a community ambassador for Victoria Youth Week, he has engaged in many areas of youth representation, receiving recognition for his volunteer work with the YMCA and the United Nations.

As a naturopathic scholar, Andrew is alarmed at Australia’s emerging generation 0 (‘0’ for Obesity). He believes that it’s ‘crunch time’. In an effort to curb an expanding nation, he has called for Victorian schools to take the ‘Vitality Crunch Challenge’, pulling the plug on the canteen deep fryer in exchange for healthier alternatives, with a focus on the needs of multicultural pupils. By educating students about the principles of good nutrition and physical education, he hopes to reduce the burden of diet-related illness, disease, disability, and early death in an equitable way across communities. He anticipates to service schools with a breakfast program through the Australian Red Cross as an adjunct to the challenge.

Janine Borg
Cowes, VIC

Janine, 23, works full-time in the Youth Suicide Prevention area of Kilmany Family Care and is a member of the High Risk Adolescent Reference Group, FreeZA, and the South Gippsland/Bass Coast Youth Network. She is interested in young Australians and their health needs, with a particular focus on mental health promotion and suicide prevention and intervention. Janine would also like to see more support for young mothers to ensure greater access to professional health advice and support networks.

Janine has seen first-hand the poor coordination and fragmentation of services available to at-risk adolescents. Through her community project, Janine seeks to improve the level of early identification of rural, high-risk adolescents; actively involve youth workers in the provision of health promotion in schools; and provide pathways to connect young people to support services.

Adam Marshall
Gunnedah, NSW

18-year-old Adam completed his HSC at the Farrer Memorial Agricultural High School in 2002. He is interested in health issues for rural young people, with a particular focus on mental health issues facing farming youth. As the national runner up in the Lyons Australian Youth of the Year, Adam has been very active within both his local community and throughout NSW. He has been involved in a number of fundraising activities, has been a member of the Gunnedah Shire Youth Council and the Gunnedah PCYC Youth Committee for the past two years. He was also a member of the NSW Premier’s Youth Advisory Council in 2001.

Adam has explored mental health issues, including youth suicide, with a specific focus on young Australians living on rural properties. He investigated the lack of facilities and support available for young rural Australians and the shortage of basic health provisions for not only young people, but also the community as a whole.

Birra Riethmuller
Toowoomba, QLD

18-year-old Birra was Darling Downs Young Achiever of the Year in 2001, Centenary of Federation Youth Envoy and a Toowoomba City Council Youth Councillor. After a busy six months in 2003, including a move to Adelaide, Birra is now settled back in Toowoomba, mainly focussing on her work with the drug and alcohol free Eidecan Youth Music Festival. Birra is a true believer in ‘youth for youth’ projects, and is especially concerned with youth mental health issues.

Birra has researched the effectiveness of peer counsellor training held in Queensland secondary schools. In consultation with Kid’s Help Line, and their research results regarding peer counseling, Birra plans to create a written model of Secondary School Peer Counselling Groups that schools can use as a tool to set up their own group after peer counsellor training.
Rebecca Pole
Robina, QLD
19-year-old Rebecca was awarded the Vice Chancellor’s Scholarship to Bond University to study business and communications. She has since been appointed as student coordinator for the scholarship scheme and as a mentor for new students in that faculty. Having overcome an eating disorder during her transition to independence, Rebecca is keen to share her experience in the area of young people’s health, and of the benefits of involvement in youth leadership programs.

Rebecca is passionate about decreasing the apprehension and stigma surrounding eating disorders and depression. Her project focuses on equipping parents and teachers with skills for dealing effectively with teenagers who suffer from these disorders. In particular, Rebecca hopes to increase the early detection and professional treatment of these illnesses.

Social Equality Team
Zhi Soon
Revesby, NSW
17-year-old Zhi is a student at Hurlstone Agricultural School where he has been a Peer Support Program Instructor, a member of the SRC and the president of the Interact Club. He is the current president of the Liverpool District SRC and has been involved in a number of fundraising activities. He is currently School Captain of Hurlstone Agricultural High School. Zhi is interested in opening communication lines between youth organisations and various forms of governance; promoting racial harmony among young people; and examining the availability of youth development opportunities.

Zhi investigated the publicity and availability of vocational and educational events across the areas of race, culture and community. He also monitored community youth events, in order to observe the participation or otherwise of young people from culturally diverse backgrounds. His project addresses any shortcomings in the involvement of multicultural young people and aims to initiate programs that combat youth concerns to foster cultural integration and association, while benefiting the community as a whole.

Caroline Riseley
Kangaroo Flat, VIC
Caroline, 17, attends Bendigo Senior Secondary College. She is an active fundraiser and is involved with a number of organisations. Caroline also writes articles for the youth supplement of the Bendigo Advertiser, ‘Loop’. She has experienced accommodation issues and now lives with her foster family.

Caroline investigated youth participation in community projects and youth-based publications. She aimed to introduce a diverse range of young people to community projects, and allow them to explore the positive benefits associated with them. In particular, Caroline examined setting up youth supplements like Loop in several newspapers around Australia.

Michael Apout
Werribee, VIC
Michael, 22, is studying law. A refugee from Sudan, Michael had to seek accommodation through youth housing organisations, which made him keen to look at this issue on the Roundtable. Since settling in Melbourne, Michael has contributed significantly to the needs of Sudanese youth in the western suburbs as a founding member of the New Sudan Youth Association of Australia and was a representative at the Victorian Multicultural Youth Roundtable. Michael was named Youth Ambassador for the Victoria Awards For Excellence in Multicultural Affairs. He has been elected to the Anglican synod, the governing body of the Anglican Church and Youth Law Committee of Management.

Michael investigated the skills, tools and resources young people need to successfully make the transition from school to tertiary education, training or employment.

Cassie Skelly
Morayfield, QLD
Cassie, 24, has completed her Bachelor of Social Science with distinction, specialising in services to young people. She has a keen interest in young people and public space and has been involved in the Yspace Network as a volunteer for three years and in a number of public space projects. Since being on the National Youth Roundtable, Cassie
has appeared in Inside QUT (university newspaper) as an example of a successful graduate and will also be part of a similar series of QUT posters advertising successful graduate outcomes to potential new students.

Cassie’s project examines young people and their use of and access to public and community spaces (i.e. shopping centres), and the issues and tensions that can arise. The report also explores practical opportunities for more inclusive practice in a public space context.

James Stanley
Stirling North, SA
James is a 17-year-old indigenous student at Caritas College. James has a strong interest in the arts, and was a founding member of ‘The Witchetty Bubs’, a local children’s performance group that performs throughout Port Augusta. In 2002, James was awarded the NAIDOC Indigenous Youth of the Year Award for contributions to his community. In 2001, James was selected to participate in the National Aboriginal Summer School for excellence in technology and science. James is interested in promoting awareness about indigenous issues among the non-Indigenous community. His project investigated effective methods of promoting the high school certificate to Indigenous students.

Anthony Ormond
Alice Springs, NT
Anthony, 16, is an Indigenous student at Alice Springs High School, where he has been a member of its student council for four years, and has trained with Kids Help Line. In 2002, he was invited to become a member of the Chief Minister’s Roundtable for Young Territorians. Anthony’s project investigated the current levels of drug and alcohol use among his local Alice Springs peers. He also looked at the underlying social and cultural factors, which may influence these levels.

An Vo
Parkwood, WA
An, 24, is a prominent leader in the Vietnamese community in WA, and has degrees in economics and law. Through his ongoing volunteer work as a tutor and committee member, he has identified cultural identity as a significant issue for Australian-born children of the migrant generation of Vietnamese. An was interested in exploring this issue on the Roundtable. An has received the 2003 Premier’s Multicultural Ambassador (Youth) Award and is a member of the Premier’s Steering Committee on Anti-Racism. An would like to develop a central resource register/portal so that non-Government organisations and Government departments can share information, ideas and programs about cultural identity and related issues. He is also keen to develop a school-based workshop aimed at addressing cultural identity—like the school bullying workshops and peer pressure workshops currently in schools.

Simon Khalil
Petersham, NSW
Simon, 17, has been an active participant in a number of youth forums convened by the Marrickville Council. He also acted in the short film, 1 Miss Marrickville, which won the statewide Silent Cells Award during National Youth Week 2002. Simon has seen religious discrimination first-hand and would like to raise awareness about its negative presence in the world. Simon examined religious discrimination in the global media and investigated ways to cultivate and promote accurate religious reporting throughout the media.

Leadership and Enterprise Development Team
Shasheen Jayaweera
West Pennant Hills, NSW
Shasheen is a 17-year-old student at the University of NSW under its prestigious cooperative scholarship program in commerce. He was leader of the NSW Australian Business Week team in 2002 and started his own Internet services business, Logiceworks. He is passionate about youth enterprise and leadership development and seeks to increase the awareness of opportunities for young people to develop these vital skills. Shasheen looked at initiating a directory service tailored to meet the needs of young Australians interested in developing their entrepreneurial and leadership skills. He intended to develop a comprehensive listing of available services and in-
formation resources, as well as a listing of the many leadership and youth development programs available, with a view to increasing access to such programs. He aimed to combat access difficulties in relation to the development of entrepreneurial and leadership skills.

Ainsley Gilkes
Cherrybrook, NSW

Ainsley, 21, is running her second business, Fresh Communique. She is active in the youth enterprise development sector, consulting to both community organisations and corporations about the needs of young business and social entrepreneurs. Last year, Ainsley was selected as a delegate to the APEC Young Leaders and Entrepreneurs Forum in Mexico. She is now a director of the Enterprise Network for Young Australians (ENYA). Ainsley is aware of the many challenges faced by young leaders and young entrepreneurs and is passionate about addressing their needs.

Ainsley explored the development of an online resource for young Australians, providing information about enterprise development opportunities and services. In addition to listing information about such opportunities, the resource would also provide feedback from current and past participants of the featured programs, allowing young people to make more informed choices with regard to their enterprise development needs. The online resource would fall under the umbrella of, and be complementary to, other online initiatives being developed by ENYA.

Matthew Eckford
Loganholme, QLD

Matthew, 23, runs his own business, Rural Industry Connect, a market exchange network enabling rural and regional businesses to share information and to source sale stock items. He was awarded the Commonwealth Regional Initiative Award 2002 and the 2002 Telstra Countrywide Rural Young Achiever of the Year. Matthew has a strong interest in the development of future rural leaders.

Matthew looked at overcoming skill shortages, skill gaps and labour shortages in rural traineeships and employment. His aim was to convince young people with the appropriate skills, knowledge, attitudes and motivations, that rural and regional Australia provides rewarding career opportunities. Matthew is developing strategies and present ideas to change the structure of traineeships implemented by youth employment, apprenticeship and training groups in Canberra.

James Austin
Cairns, QLD

James, 17, is studying at James Cook University. He has won awards for his work in business and technology and has started his own Internet development business. James’ work for the Cairns City Council on a city Internet guide and a suicide prevention website have convinced him that the business community can play a greater role in youth development and services, both in and out of educational institutions.

James looked at the Australian Government’s New Enterprise Incentive Scheme to discover how the program could be better targeted at young people.

William Scully-Power
Sydney, NSW

William, 22, is the founder of MarketingFX™ Pty Ltd, a boutique agency specialising in marketing and public relations for high technology companies. William was a semi-finalist in the National Career Achievement Category in the 2001 Young Australian of the Year Awards, and was also a Nominee in the 2002 Young Australian of the Year Awards.

William was the inaugural winner of the NSW and the ACT Micro Business Young Entrepreneur Award 2001 and was also the winner of the 2001 Commonwealth Bank “Young Hero Award”, presented at the opening of the e-Business World Expo. William looked at youth enterprise development opportunities and young people in the business community.

Keyur Kelkar
Box Hill North, VIC

Keyur, 17, is a Year 12 student at Melbourne High School. He is the editor of his local two neighbourhood watch area newsletters, for which he won the Box Hill sector Best Newsletter award. He was on the inaugural Whitehorse Youth Representative Committee in 200112002 as deputy chairperson. He was a patrol leader in Scouts for two years, and is involved in the Duke of Ed-
Edinburgh’s award. Keyur is passionate about youth leadership, involvement and empowerment. Recently, he was named the City of Whitehorse 2003 Young Citizen of the Year.

Keyur focused on the facilitation, fostering and nurturing of leadership in young Australians. He consulted with young people in order to understand their leadership needs and requirements. Keyur used their input and feedback to develop suggestions to Government about assisting young people to achieve their leadership objectives. He intends to share the response he receives from Government with young Australians.

Kat Clay
Werrington County, NSW

Studying Media Arts and Production and International Studies at the University of Technology, Sydney; 18-year-old Kat is interested in youth development activities and would like to see media programs developed for young people from disadvantaged backgrounds. Kat has also identified a need for greater educational opportunities for young people in outer-suburban and rural areas. She has been involved in a range of activities in the community, including volunteer work, debating and the Duke of Edinburgh’s Award and is a champion fencer.

Kat developed a media program for young Australians, particularly those in rural and outer suburban areas. She titled the idea, ‘Media Dreams’, and used film, music and new media to create a national youth network, which aimed to give youth a fun, creative and instructive voice in the community.

Nick Palousis
North Adelaide, SA

Nick is a 22-year-old student at the University of Adelaide, where he is undertaking a Mechatronic Engineering/Mathematical and Computer Science degree. Last year, Nick was one of 12 young Australians selected to participate in the 15th Ship for World Youth Program. Also in 2002, Nick was selected as a member of the Youth Challenge Australia volunteer team to Costa Rica. Nick’s key interests include youth leadership and social and environmental sustainability.

Nick developed a series of strategies that identified and developed potential leadership among young Australians, particularly in the 21 to 25 year age bracket. He looked at encouraging mentoring for young people by Government, industry and the community. His aim was for young people to learn from and continue the work of their mentors so as to be prepared for the next stage of young professionalism.

Annette Wheare
Port Pirie, SA

Annette, 22, is a full-time Development Officer with the Port Pirie Regional Development Board. Annette holds a Bachelor of Agricultural Business, a Certificate III in applied languages (Japanese), a South Australian Certificate of Education and is completing a Certificate IV in Business Facilitation. In 2002, Annette received the Rotary International ‘Rotary Youth Leadership Award’ after completing the Rotary Youth Leadership program. Annette is interested in expanding youth leadership and youth enterprise development opportunities for young people.

Annette aimed to help develop confidence and skills in young Australians so they can see that starting their own business is an opportunity and can allow them to live and work in rural and regional Australia. She was interested in finding out if there are characteristics common to young entrepreneurs and youth leaders and if there are skills taught through the education system or alternative avenues.

Senator TCHEN—I do not wish to take the Senate’s time by going through the whole list. I just wish to mention some of them. The youngest was Jordina Rust, who is 15 years old. Michael Apout, from Werribee, was a Sudanese refugee who came to Australia five years ago. He is now studying medicine. Meredith Ellis, who is also from one of my duty electorates, Caroline Risley from Bendigo and Keyur Kelkar from Box Hill were also participants. They are all remarkable young people, as were the remainder of the 49 participants. I commend them all to the Senate.
Zonal Tax Rebate Scheme

Senator MURRAY (Western Australia) (7.14 p.m.)—As the long-running taxation spokesperson for the Democrats, very occasionally I have had to debate the issue of the Zonal Tax Rebate Scheme. The original Zone Income Tax Rebate Offset Scheme recognised special circumstances that apply in areas of particular geographic isolation. The zone rebate offset currently consists of three components: first, a fixed amount of $338 for zone A; second, $57 for zone B; and, third, $1,173 for special areas in both zone A and zone B. These are annual amounts. An amount based on a percentage of certain offsets or rebates for dependence is also calculated at 50 per cent for zone A and the special areas and 20 per cent for zone B.

Zonal rebates came back to me as an issue when I visited Western Australia’s Pilbara in July. The Pilbara is a region of huge economic, export and strategic significance to Australia, but it suffers from the difficulty of attracting and keeping settlers. The Pilbara is both blessed and cursed by the fly-in, fly-out phenomenon: blessed because those workers and employees provide much of the muscle and brains that create the wealth of the region and cursed because they do not contribute what a settled, permanent community does. The odd thing is that fly-in, fly-out workers get the zone offset. Residency for the purpose of the zone offset is defined as having been in the zone for a period of six months. This does not have to be continuous, so includes numerous casual, itinerant and fly-in, fly-out workers. Thus most fly-in, fly-out workers qualify for the zone offset even though they do not incur all the higher remote area living costs borne by the remote residents. Fly-in, fly-out is here to stay but, in the interests of developing regional and remote Australia, I believe companies need to be encouraged to fly their workers in and out from towns within the Pilbara region and not just from Perth. That means a Commonwealth monetary taxation incentive is needed. While fly-in, fly-out from towns within the Pilbara region is occurring to some extent, there is obvious scope for expansion, because some inland towns, like Paraburdoo, have underutilised excess housing and infrastructure.

In July, the Department of Transport and Regional Services announced the Regional Business Development Analysis Action plan, a very useful initiative by Deputy Prime Minister John Anderson. The report says that an analysis of Australian Taxation Office data reveals that around 11 per cent of all recipients of the rebate, costing around $35 million, were people residing in ineligible locations but working in the eligible zones via a fly-in, fly-out arrangement. That seems a nonsensical use of the rebate, as does paying the rebate to taxpayers for cities like Darwin or Cairns.

To address anomalies in the current Zonal Tax Rebate Scheme, the report is proposing that government, firstly, remove eligibility for the rebate from those people who are employed under a fly-in, fly-out arrangement and whose principal place of residence is not in one of the designated zones; secondly, review the Zonal Tax Rebate Scheme with a view to aligning the boundaries with generally accepted Australian Bureau of Statistics boundaries for ‘remote’ and ‘very remote’; thirdly, introduce provisions that limit access to the scheme for people on high incomes; and, fourthly, introduce provisions that provide for regular indexing of the rate of the rebate in line with shifts in the consumer price index for regional and remote Australia.

I could not agree more with the intent of these proposals, but there is too much attention to efficiency here and not enough to incentive. Reforms like knocking high-income...
earners and fly-in, fly-out Perth residents out of the scheme will result in net savings, but I believe that the saving of at least $35 million resulting from tightening up the scheme should go to further incentives to realise the original intent of the scheme. Plus, additional moneys should be considered. That requires two core changes: much better targeting of the rebate scheme and restoring substantial real value to the rebate.

What is needed is more expenditure under the rebate scheme targeted at lower income workers who live in remote areas. With the high cost of living in the Pilbara, for instance, there is a problem attracting workers and their families to relocate there, particularly low- and middle-income earners. It is impossible, obviously, for everyone to be highly paid. The rebate is presently available regardless of income to high-income earners, which is unnecessary and wasteful. Highly paid people go regional or remote because they are highly paid and often because they also love the challenging work. It is certainly not because of the present rebate.

To attract more low- and middle-income workers to base themselves and their families in appropriate regions, an increase in the zone allowance would have to be a sizable one to have any real effect. As the Department of Transport and Regional Services report says, inflation has effectively eroded the annual value of the zonal rebate to the point where it is now equivalent to 0.4 weeks average earnings in zone A, 0.07 weeks average earnings in zone B and 1.5 weeks average earnings in the special zones. As an aside, I was surprised the report said 0.07 for zone B. I thought perhaps the report had a typo and it should be 0.7, but it is not. The zone B rebate of $57 a year represents the equivalent of 2½ hours work for the average full-time worker in Australia. This is the annual level of compensation that is presently available for a taxpayer living in some of the regional areas of Australia. The recent so-called ‘sandwich and milkshake’ tax cuts were ridiculed by some for being only $4 a week for average workers. The zone B rebate is $1.10 a week! It shows how dated and poor the zone rebate system actually is.

The Australian income tax system has nearly always had some form of zone rebate but in the past, in real terms, it has always been higher. Despite the often devastating impact that the government’s national competition policy has had on regional Australia and its prices, the zone rebate is lower now than it has ever been. Back in 1945, the government and the Hon. Ben Chifley took the view that the post-war development of Australia could be adversely affected without some concessions for taxpayers who live in remote parts of Australia. This sentiment and need is as relevant today as it was then but, like most parts of tax law, it needs a revamp. It was designed before anyone could imagine a fly-in, fly-out work environment and before Darwin, Cairns and Townsville were thriving modern cities. The value of the rebate has remained unchanged since 1992. A rough estimate would indicate an average rebate of a little over $400 each. The rebate is actually more highly skewed, with a lot of people receiving the zone B offset—well under the average—and relatively less receiving higher than the average: that is, the zone A or special areas offsets.

Although well over 450,000 taxpayers access the rebate at a cost just short of $200 million, it must now be seen as more of a tax gift than an incentive. Targeting and making it a meaningful quantum would turn it back into an incentive. When introduced in 1945, the Zonal Tax Rebate Scheme was not just compensation for high costs of living and isolation for taxpayers who settled or lived in eligible remote locations, but an incentive to settle in or remain in those areas. Fundamentally, new or increased relief is required in
particular to reduce the cost and increase the availability of housing, especially for low-income earners.

We need some consistency in the definitions of ‘remote’ and ‘regional’. As the report notes, the definition of ‘remote’, for the purposes of the special area zone rebate, is different to that used for fringe benefits tax. There remain regions across Australia that are comparatively disadvantaged in terms of their isolation, climate and high costs of living, which fall outside the zones. This is a government that, in its 1996 budget cuts, walked away from a coherent regional development policy. Since then it has been battling along in a piecemeal fashion. Positive reforms to the zonal rebate scheme along the lines I have discussed tonight would be a return to more coherent and effective policy.

Senate adjourned at 7.24 p.m.

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

Product Ruling—
PR 2002/74 (Notice of Withdrawal).
PR 2003/55.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Attorney-General’s: Legal Assistance**

(Question No. 1072)

Senator Brown asked the Minister representing the Attorney-General, upon notice, on 7 January 2003:

Will the Government indemnify the family of Rolah McCabe for legal costs incurred in taking action against British American Tobacco relating to her death?

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

The Government has no plans to indemnify the family of Rolah McCabe against possible orders as to costs in the family’s action against British American Tobacco.

The Attorney-General’s Department administers a range of financial assistance schemes that make provision for legal and financial assistance in particular circumstances. Where a person is eligible for assistance under one of those schemes, a grant of assistance does not, as a general rule, extend to an indemnity for costs.

It is open to an individual to make an application for financial assistance to my Department. Each application is considered in accordance with the guidelines of the appropriate scheme. In accordance with a long standing practice, endorsed by successive Attorneys-General, to treat applications for financial assistance in confidence, it is not appropriate for me to provide information in relation to any individual application for financial assistance.

**Education, Science and Training: Anderson Report**

(Question No. 1363)

Senator McLucas asked the Minister representing the Minister for Education, Science and Training, upon notice, on 27 March 2003:

With reference to the answer to question no. E763-03 taken on notice by the department during estimates hearings of the Employment, Workplace Relations and Education Legislation Committee:

(1) Can a full list be provided of all reports that have been published, including on the Internet, without an accompanying press release since 11 November 2001, including the dates and form of publication for those reports.

(2) What is the name and position of the person who judged that the publication of the Anderson report was a ‘routine matter’.

(3) What is the name and position of the person who decided that the Anderson report should not be accompanied by a media alert.

(4) Who is typically responsible for judging whether the publication of a report should be accompanied by a media alert.

Senator Alston—The Minister for Education, Science and Training has provided the following answer to the honourable senator’s question:

(1) See attachment.

(2) The Department of Education, Science and Training (DEST) does not designate specific publications or research projects ‘routine’ or otherwise. However, DEST does commission or undertake a significant number of studies each year. Many of these are published and made publicly available. It is therefore a routine activity that is part of its ongoing business.
It should be noted that the DEST website has a subscriber function which generates alerts to the 
release of new publications as requested by the user. This function can be used to alert subscribers 
to the release of any new publication added to the website.

(3) With a few minor exceptions, all press releases for the portfolio are issued by, and at the discretion 
of, the Minister for Education, Science and Training, the Hon Dr Brendan Nelson MP, or the 
Minister for Science, the Hon Mr Peter McGauran MP.

(4) See (3) above.

Attachment

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<th>Group</th>
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<td>1. CASPA Payment processing review February 2002, 2. IEPPS Payment processing review June 2001</td>
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Senator Marshall asked the Minister for Defence, upon notice, on 25 June 2003:

With reference to surplus former Defence land at Point Nepean:

(1) Will the Minister make public the expressions of interest received by the Government from individuals, organisations and governments for the 85 hectares of land at Point Nepean; if not, why not.

(2) (a) Can the Minister confirm when the Government intends to make a decision as to its preferred submission of interest; and (b) will the decision be made public; if so when; if not, why not.

(3) Can an outline be provided of the process and timeline for putting the 85 hectares to tender.

(4) Has the Government closed the door on negotiations with the Victorian Government over a transfer of the remaining 85 hectares of land to the State of Victoria; if so, why; if not: (a) what has been
undertaken to further these negotiations with the Victorian Government; and (b) how are these negotiations proceeding.

(5) Why was the decision taken not to gift the entire 315 hectare site at Point Nepean to the Victorian Government.

(6) Why will the Government not gift the 85 hectares of remaining surplus Defence land at Point Nepean to the State of Victoria, on the same basis that it did with similar land in New South Wales and Western Australia.

(7) Can the Minister explain the differing circumstances between the land at Sydney Harbour and in Western Australia and the land at Point Nepean, which would prevent it from being gifted to the State of Victoria.

(8) Can the Minister clarify the Government’s position in relation to placing obligations upon any potential buyers of the 85 hectares of surplus Defence land, for example, will the Government be regulating future uses and/or proscribing activities or uses of the land; if so, can details be provided; if not, why not.

(9) Can the Minister categorically rule out the land being sold for either private residential use or tourist-style accommodation.

(10) Will the Minister oblige a potential buyer of the 85 hectares to uphold and implement the objectives of the departmentally-commissioned Portsea Defence Land Community Master Plan; if so, can details be provided; if not, why not.

(11) What was the overall budget for undertaking the Portsea Defence Land Community Master Plan; and can this budget be broken down into appropriate budget lines noting different areas of spending on the project.

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

(1) No. Defence is bound by a confidentiality clause in the Request for Expression of Interest document released to all interested parties in the Expression of Interest process.

(2) (a) and (b) The Parliamentary Secretary to the Minister for Defence announced on Monday 25 August 2003 the closure of the Defence sale process.

(3) As announced by the Parliamentary Secretary to the Minister for Defence, the Commonwealth will offer a strictly controlled lease for the 90 hectare site. Advertisements for the tender lease will appear in the first week of September 2003.

(4) (a) and (b) Defence has only recently closed the expression of interest process and a tender process for the lease of the site will commence shortly. It is not appropriate that Defence negotiate with the Victorian Government while in an open tender process.

(5), (6), and (7) Refer to Senate Question on Notice No. 1409 (Senate Hansard, 16 June 2003).

(8) and (10) Under a lease, the 90 hectare portion of the site will remain in commonwealth Government ownership and will achieve the 12 key aspects of the Draft Community Master Plan. The lease will include strict conditions to ensure preservation of the heritage value (including aboriginal heritage), protection of the environment, public access to the site, and no private residential use.

Land uses under the lease will be restricted to education, recreational, community and tourism.

(9) Yes.

(11) The cost of producing the draft Portsea Defence Land Community Master Plan including the Community Reference Group (CRG) and Planning Reference Group (PRG) activities was approximately $260,000. The cost break-up is:
(a) inception - $21,600;
(b) consultation - $28,700;
(c) issues Analysis - $36,250;
(d) Master Plan development - $52,445;
(e) finalising the Master Plan - $58,325;
(f) exhibition of Master Plan - $35,970; and
(g) CRG Workshop and Site Visit - $26,270.

Australia Post: Sandgate, Queensland

(Question No. 1595)

Senator Santoro asked the Minister for Communications, Information Technology and the Arts, upon notice, on 27 June 2003:

(1) When did Australia Post sell the post office building and land at 1 Bowser Parade, Sandgate, in Queensland.
(2) To whom was this property sold.
(3) What was the sale price.
(4) Is any land adjoining this property currently owned by, or has it ever been owned by, Australia Post; if so, what is: (a) the current ownership status of this adjoining land; and (b) the sale history of such land.
(5) Does Australia Post consider that the sale price paid represented value for money for the vendor.
(6) On what basis did Australia Post decide that this property should be sold at the time that it was sold.
(7) Did Australia Post ever receive any expressions of interest to purchase this property prior to making the decision to sell; if so, can details of where these expressions of interest came from and when they were made be provided.
(8) What was the improved land value of this property at the time of the sale.
(9) (a) What is the zoning of the property; and (b) are there any restrictions on the use of the property.
(10) (a) What valuations did Australia Post receive for this property prior to its sale; and (b) what was the estimated value of the property provided in these valuations.
(11) Was the sale of the property put out to public tender; if so, how was it publicly tendered and advertised; if not: (a) why not; and (b) who made the decision not to have a public tender and on what basis.
(12) By what means was the property sold, for example, privately, by auction or by other means.
(13) Did Australia Post engage an agent or any other intermediary to conduct the sale for the property; if so, can the following details be provided: (a) the name, or company name, of the agent or intermediary; (b) the commission paid to them; and (c) the period over which they were engaged.
(14) Has any state or federal Member of Parliament or local councillor or member of their staff or any representatives of a political party ever made representations to Australia Post about the purchase of this property; if so, can the following details of any such representations be provided: (a) who made them; (b) what they were; (c) on whose behalf they were made; (d) when they were made; and (e) what response or action resulted from them.

Senator Alston—The answer to the honourable senator’s question, based on advice received from Australia Post, is as follows:
(1) The offer document, listing the conditions of the contract, including the purchase price, was dated 14 May 2001. This offer was accepted on 4 January 2002 when Post was satisfied that all conditions of the contract could be met. Settlement was effected on 11 March 2003.

(2) MG and DM Cross as Trustee for the Cross Family Trust and Tinpike Pty Ltd.

(3) $390,000 + GST.

(4) No.

(5) Yes. The property was valued prior to sale by an independent professional valuer at $280,000. Thus, its sale at $390,000 was $110,000 or 40% above the valuation. The sale was also conditional on the purchaser being able to satisfy Post’s requirements for the construction of a new delivery centre in the area and the provision of a suitable retail outlet in the immediate vicinity.

(6) The Sandgate Post Office was constructed in 1887 and, prior to sale, had been used for both retail and delivery functions. Over time, the heritage building had become inadequate to meet the requirements of a modern retail and mail operation and significant occupational health and safety considerations had begun to emerge. As heritage restrictions precluded workable renovation and expansion, Post had no option but to find alternative sites for its retail and delivery functions and sell the post office.

(7) During an initial search for a suitable alternative site for the retail and delivery function some time previously, Post investigated relocating to an adjoining site and the owners of that site indicated a possible interest in the post office property. However, as they were unable to satisfy Post’s delivery or retail requirements, the matter was not pursued.

(8) $280,000.

(9) (a) Multi-Purpose Centre MP3/Heritage Code (prior to the introduction of the new Town Plan in 2000 it was Special Purpose).

(b) The building is Heritage listed.

(10) (a) Australia Post obtained a full property valuation from an independent professional valuer in April 2001.

(b) $280,000.

(11) No.

(a) Post was presented with a unique opportunity to achieve the optimum commercial outcome — a purchaser who was prepared to pay significantly more than market value for the property and to provide delivery and retail tenancies at below market rents. As there was little, if any, prospect of another party being able to meet these requirements as well as the ultimate purchaser, Post decided that a private sale was the most appropriate way to dispose of the property.

(b) Post management made the decision on the basis of achieving the best possible commercial outcome for Post.

(12) Private Treaty.

(13) No.

(14) (a) – (e)

Yes. A letter was received from Gordon Nuttall MP, dated 15 November 2001, supporting the proposed sale of the Post Office building provided that: the existing Post Office and the services it currently provided to the local community were maintained by way of a new modern facility within the new shopping centre complex; and that the historic Post Office building would be utilised in a
manner which would bring economic and social benefits to the community without destroying the heritage or historical aspects of the building.

**Defence: P3 Orion Flight**  
*(Question No. 1639)*

**Senator Jacinta Collins** asked the Minister for Defence, upon notice, on 17 July 2003:

With reference to the P3 patrol map data obtained during the period 18 to 20 October 2001, which appears in chapter 8 of the report of the Select Committee on a Certain Maritime Incident, dated October 2002, and the P3 Orion maps of 20 October 2001 that were supplied to the committee, which indicate that the flight (see maps A-9, A-10, A-11) from the NW end of the flight path to the NE end of the flight path, some 250 nautical miles away, took 2 hours:

1. Is it the case that the flight should have taken only one hour between these two points if the plane was flying at a rate of 200 to 330 knots per hour.

2. Can the department indicate why the flight of 20 October 2001 took longer than the normal one hour to fly this path.

3. What were the names of the crew on the P3 Orion flight on 20 October 2001.

4. Can any of the data recorded for, or by, the crew members on the P3 Orion flights between 18 and 20 October 2001 (under Operation Relex) be made public, for example, sortie green, inflight REDS, Port Mission Form PURPLE, and mission tapes.

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

1. It is correct that a P-3C Orion travelling in a straight line could travel 250 miles in one hour. However, when conducting a search, a P-3C is rarely flown in a straight line. Typically, the aircraft is manoeuvred left and right of the search path to avoid bad weather or to position the aircraft for visual identification of contacts. Furthermore, at times the aircraft will loiter in an area in order to confirm the identification of weak or fleeting radar contacts, which may turn out to be sea life (whale, dolphin, and school of fish), or simply cloud.

   It is more realistic to view the NW to NE path presented in the maps provided as the intended track of the search, the actual track of the search aircraft is left and right of that path. The Defence submission which accompanies these maps clearly notes that they represent ‘the approximate path’ of these flights. In the interest of a thorough search the actual distance flown over a search leg is often much longer than the straight line distance. For this reason, the aircraft’s cruising speed is not directly relevant to the time taken to complete a search leg.

2. The P-3 flight of 20 October 2001 took longer than one hour for the reasons given in part (1). The crew post flight report states ‘environmental conditions for this patrol were assessed as very poor due to cloud and rain in all areas’ and, poor environmental conditions can exacerbate the need for the aircraft to manoeuvre either side of the search path.

3. Defence will not release the names of the P-3 crew as this information is classified.

4. All of the data recorded by the P-3 crew that could be declassified has been, and put on the public record, including full details of all vessels sighted. The remaining source data, such as sortie Green, inflight reports, Form Purple, and mission tapes are classified and cannot be released.

**Tasmania: Global Education Strategy**  
*(Question No. 1641)*

**Senator Brown** asked the Minister representing the Minister for Foreign Affairs, upon notice, on 18 July 2003:
QUESTIONS ON NOTICE

(1) What is the strategy for the provision of global education in Tasmania following the cessation of funding to the Tasmanian Development Education Centre.

(2) (a) Who developed the strategy; (b) was this done in consultation with anyone; if so, who.

(3) What is the allocated expenditure for the 2003-04 financial year.

(4) (a) What is the target group in Tasmania; and (b) what are their needs as identified by the government.

Senator Hill—The Minister for Foreign Affairs has provided the following answer to the honourable senator’s question:

(1) The new strategy to provide global education in Tasmania is currently being developed to suit the needs of the target group, teachers. AusAID continues to be committed to global education in Tasmania and will have the new program in place as soon as possible.

(2) (a) and (b). AusAID is developing the new strategy in collaboration with the Tasmanian Department of Education and the University of Tasmania. The new strategy will combine the Internet, teachers’ associations, the University, Education Department and conferences to promote and support global education in Tasmania.

(3) An allocation of up to $25,000 has been made for 2003-04 financial year.

(4) The target group for the global education program is student teachers in training and classroom teachers. The new global education strategy in Tasmania will seek to meet the needs of this group. Those needs are an understanding of global education, how global education relates to curriculum outcomes and how global education can be most effectively taught in the classroom.

Veterans: Dental Health
(Question No. 1645)

Senator Mark Bishop asked the Minister representing the Minister for Veterans’ Affairs, upon notice, on 22 July 2003:

(1) How many: (a) dentists; (b) dental specialists; and (c) other dental health providers, are currently registered with the department for the provision of dental health to veterans and war widows.

(2) (a) Have negotiations commenced with the Australian Dental Association on a new schedule of fees; and (b) when is the schedule expected to be finalised.

(3) (a) How many representations have been received from dentists and others seeking an increase in fees; and (b) in how many representations have there been threats to refuse to treat veterans with the Gold Card.

(4) How many dentists and other dental health providers have already withdrawn from the scheme.

(5) For the 2002-03 financial year, what was the cost of dental care to: (a) Gold Card holders; and (b) White Card holders.

(6) Will any increase in dental fees and any agreement to that effect require Cabinet approval.

(7) Is there any linkage between this issue and other dental fee issues as managed by the Department of Health and Aged Care.

(8) What advice has been provided to veterans and war widows concerning the fee negotiations and options for treatment in the event that dental care is denied.

Senator Hill—The Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:

(1) There are approximately (a) 7000 dentists, (b) 800 dental specialists and, (c) 1000 dental prosthetists providing dental services to eligible members of the veteran community.
The Australian Dental Association (ADA) has made no formal approach to the Department since 2001 for an increase in fees. The Department has responded to all previous ADA fees submissions.

(a) Approximately 70 dentists have written to the Department in recent weeks complaining that dental fees for veterans are inadequate. (b) Eight dentists have threatened to withdraw their services if fees are not increased.

One dental provider has advised the Department in recent weeks that he is withdrawing from the scheme.

Expenditure for 2002-03 financial year to date for Gold Card holders is $69,982,965 and for White Card holders $105,800. There is a time-lag of approximately 3 months in obtaining expenditure data for a financial year. Therefore the total expenditure for 2002-03 financial year will not be available until October 2003.

The Repatriation Commission has broad powers under Part V of the Veterans’ Entitlements Act 1986 (VEA) to arrange for the provision of treatment for veterans and other eligible persons (see, for example, subsection 84(1)). Section 199 of the VEA contains the special appropriation of moneys from the Consolidated Revenue Fund “to the extent necessary” for the payment of “medical and other treatment services” provided by the Repatriation Commission. The issue of whether or not Cabinet agreement is sought would depend on the terms of any agreement and the quantum of any increase in overall expenditure.

There is no relationship or linkage between the Repatriation Commission dental scheme and the dental schemes of the State health departments. There is no Commonwealth dental scheme run by the Department of Health and Ageing.

No general advice has been provided to members of the veteran community as only one dentist has withdrawn his services. However, if a veteran has difficulty accessing dental services he/she can contact the appropriate DVA State Office for assistance in locating DVA dental providers in a local area.

**Defence: Project AIR 5375**

(Question No. 1658)

Senator Chris Evans asked the Minister for Defence, upon notice, on 24 July 2003:

With reference to Project AIR 5375:

1. When were tenders called for this project.
2. When was a decision made on the preferred supplier.
3. When was the contract for the supply of the tactical air defence radar systems signed.
4. What was the original approved budget for this project.
5. What is the current budget for this project.
6. What were the original dates for: (a) the initial delivery of the system; and (b) the system’s acceptance into service.
7. What are the latest estimates for the dates of: (a) initial delivery of the system; and (b) the system’s acceptance into service.
8. Is Tenix contracted to provide communications, cabins and other infrastructure for this project, as indicated on the Defence Materiel Organisation website.
9. What were the original delivery dates for the communications, cabins and other infrastructure for this project.
10. What is the latest estimate for the delivery dates for the communications, cabins and other infrastructure for this project.
Have delays with the delivery of the communications, cabins and other infrastructure for this project delayed the project overall, as indicated in the annual report; if so, what is the extent of this delay.

What explanation has been provided for these delays.

What action has been taken against the suppliers in relation to these delays.

Has the Commonwealth accrued any additional costs due to these delays, for example, in maintaining existing equipment; if so: (a) what is the estimated extent of these costs; and (b) will the Commonwealth be responsible for them.

(a) What is the current capability in tactical air defence radars; (b) when was this existing capability introduced; and (c) what are the limitations of the current capability that warranted its replacement.

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

Phase 1 of the project was approved in the 1994/95 Budget and Phase 2 in the 1996/97 Budget. Tenders for the combined Phases 1 and 2 were called on 11 September 1996.

The Source Evaluation Report detailing the preferred tenderer was approved on 17 November 1997.

The contract was signed with Lockheed Martin Corporation on 11 August 1998.

Phase 1 of AIR5375 was approved in the context of the 1994/95 Budget to the value of $70.72m, to acquire three air defence radars. Phase 2 was approved in the 1996/97 Budget context at a cost of $33.35m, involving provision of associated support sub-systems. The two Phases were combined in 1998 with an increased work scope and funding to reflect a number of additional capabilities (increases included a fourth radar, 19 heavy-lift trucks for tactical deployment and mobility and $82.675m of approval) to establish the current project’s delivery responsibilities and approval.

$204.679 (December 2003 prices). The Project is currently proceeding on budget.

(b) March 2002 was the original acceptance into service date for the combined Phases 1 and 2.

(a) The latest estimate for the initial delivery date for the total project (Phases 1 and 2 and the 1998 scope increase) is 11 September 2004.

(b) The latest estimate for the total project’s acceptance into service date is 11 February 2005.

Yes, Tenix Defence Systems is sub-contracted by Lockheed Martin Corporation, as indicated on the Defence Materiel Organisation website.


February 2005.

Yes, by 40 months in total. At this stage of the project, two of the four main radars are in country, and the other two have completed manufacture in the US and are ready for shipment to Australia. Ownership of all radars is already vested with the Commonwealth.

Lockheed Martin Corporation’s delay in the delivery of the total system is attributed in part to Lockheed’s own deferred provision of the radars earlier in the project and predominantly to the current inability of its subcontractor, Tenix Defence Systems, to achieve satisfactory technical performance and to deliver the sub-contracted sub-systems to an adequate standard of quality. This situation has necessitated a significant redesign and full re-construction of the Tenix-supplied sub-systems. Lockheed Martin Corporation has accepted full responsibility for its subcontractor’s delay.
The Commonwealth has successfully demanded and received a compensation package totalling $8.48m in value from Lockheed Martin Corporation, involving liquidated damages (in the form of cash, a contract price reduction and consideration [work] in kind). Additionally, accruing reductions on a daily basis to the amount payable by the Commonwealth, to a total of $2m, will occur if the contractor does not succeed in bettering the new contracted delivery date of each of the four systems by at least two months each. The agreement also included the cost-free settlement of three excusable delay claims against the Commonwealth, for which there was a financial risk exposure of at least $3m.

(a) and (b) In formulating the compensation package to be levied against Lockheed Martin Corporation for the delay, the Commonwealth took into consideration all aspects of accrued costs and damage suffered by Defence. The negotiated settlement was designed to mitigate any additional costs associated with maintaining the existing capability and also maintaining a project office beyond the initial scheduled delivery date of the system.

Three AN/TPS-43 deployable air defence radars produced by Westinghouse US were procured to provide the dedicated tactical radar surveillance capacity for air defence. This capability is augmented by aggregating surveillance data from Defence’s eight current air traffic control and three over-the-horizon radars, as well as from civil air traffic management data feeds (Airservices Australia’s radar, flight plan and flight following data etc) and other information and intelligence feeds. Two of the tactical radars are operational and normally situated at Darwin and Williamtown when not deployed for exercises or operations.

(b) The AN/TPS-43 radars were procured in 1979.

(c) The existing radars become less reliable as they age, and servicing them becomes increasingly difficult and failures are more time consuming to repair as spare parts become scarce.

Senator Chris Evans asked the Minister for Defence, upon notice, on 24 July 2003:

With reference to Project AIR 5333, Phase 1:

1. Can a detailed description of this project be provided.
2. (a) When were tenders called for this project; and (b) when did tenders close.
3. When was a decision made on the preferred supplier.
4. (a) Who is the preferred supplier; and (b) who was the second preferred supplier.
5. When was the contract for Project Air 5333 signed; if the contract has not been signed, why not.
6. (a) What was the length of delay between the closing of the tender and the signing of the contract; and (b) what was the cause of the delay.
7. What is the latest estimate on when a contract for the project will be signed.
8. What was the original approved budget for this project.
9. What is the current approved budget for this project.
10. What were the original dates for: (a) the initial delivery of the system; and (b) the system’s acceptance into service.
11. What are the latest estimates for the dates of: (a) initial delivery of the system; and (b) the system’s acceptance into service.
12. Has the preferred supplier put forward proposed changes to the project. If so, what changes are being proposed.
13. Are there any proposals to change the budget of this project. If so, what change is being proposed.
(14) Has the Commonwealth accrued any additional costs due to the delay in the delivery of the project, for example, in maintaining existing equipment; if so: (a) what is the estimated extent of these costs; and (b) will the Commonwealth be responsible for them.

(15) (a) What is the current capability in air defence command and control systems; (b) when was this existing capability introduced; and (c) what are the limitations of the current capability that warranted its replacement.

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

(1) Project Air 5333 (Vigilare) will provide to the Australian Defence Force (ADF) the capability to produce the wide area surveillance picture to support national air defence command and control functions performed in operations centres at RAAF Bases Williamtown and Tindal. This will be achieved by fusing information from sensors such as Jindalee Operational Radar Network (JORN), Airborne Early Warning and Control (AEW&C), microwave radars (both civil and military), tactical platforms (fighter aircraft and RAN ships) and intelligence sources. The project also includes the provision of communications facilities to enable the ADF to achieve command and control of widely dispersed tactical airborne assets.

Project Air 5333 was originally conceptualised as two separate phases. Phase 1 was to deliver the air defence Command, Control and Communications (C3) component and Phase 2 was to provide the communications infrastructure and integration.

Phase 1 was originally approved in the context of the 1992/93 Budget. The subsequent contract with Australian Defence Industries Limited (ADI) was terminated in 1994. Cabinet reconsidered the project scope and budget in 1996/97 and the re-approved requirement was re-competed in November 1996.

Phase 2 was approved in the context of the 1997/98 Budget to provide the project’s communications infrastructure and integration. The two phases were merged in 1999/00 because both elements are essential to achieving the required capability. The project requirement was confirmed as part of the 2000 White Paper process.

Project Air 5333 is broken down into three main work components:

(a) Prime Equipment (PE) contract. This covers all components to be delivered for the upgrade to the Command, Control and Communications System at RAAF Williamtown and Tindal.

(b) Logistics Support (LS) contract, which will cover all maintenance and support for the PE.

(c) Communications Infrastructure and Integration. This scope includes: modernising legacy systems or their interface to Vigilare; defining common data exchange standards for use across the ADF; refining the interface documentation for existing systems; and augmentation of the Defence communications network infrastructure to meet Vigilare’s bandwidth and survivability requirements. This work forms what was previously known as Phase 2 and will be developed by the Commonwealth and acquired from other suppliers through smaller contracts separate to the PE and LS contracts.

(2) (a) and (b) A tendering and contracting round commenced in 1992, and resulted in a contract between Defence and ADI as the prime contractor (Westinghouse US was ADI’s main subcontractor). This contract was terminated by Defence in 1994 when it became apparent that ADI could not deliver the contracted requirement within the contract price and a new process commenced. All following details refer to this second round. The Request for Tender (RFT) for the prime equipment and logistic support contracts for the command and control system was released in November 1996 with tenders closing in April 1997. Tenders for the communication and integration work have not been called.

(3) Boeing Australia Ltd was announced as the preferred tenderer for the command and control prime equipment and logistic support contracts in September 1998.
(4) (a) and (b) Boeing Australia Limited was chosen as preferred supplier. SAAB Systems was second preferred supplier.

(5) The first contract for Project Air 5333 was signed with ADI in July 1993 and subsequently terminated in December 1994.
The command and control systems contracts have not yet been signed for the latest round of tenders. The Commonwealth is in negotiations with the preferred tenderer, Boeing, for these contracts.

(6) (a) and (b) Delays in achieving contract signature cannot be individually quantified at this time but have been the result of a number of factors:
The Commonwealth initiated and completed some risk reduction activities with the preferred tenderer to better define the operational usage context of the capability and clarify system requirements including bringing forward early design activities.
Delays in the approval of export licences from the US State Department for the release of critical components of the Vigilare system have prevented the completion of negotiations.
Significant time has been required for the Department to resolve recognised budget shortfalls for the Communications Infrastructure and Integration tasks associated with work previously identified as Phase 2.

(7) Contract Signature is planned to be achieved in late 2003 or the first quarter of 2004, depending on the progression of approvals and negotiations.

(8) The original approved budget in 1996 was $131.465m for Phase 1 and $20.84m for Phase 2. This gave a combined budget of $152.305m in 1996 prices, which is equivalent to $201.045m (December 2003 constant prices).

(9) The current budget for the project is $236.987m (December 2003 constant prices).

(10) (a) and (b) Based on the preferred supplier’s delivery schedule in its Tender Response, the initial delivery of an operational system at Tindal was to occur 35 months after contract signature, with the system’s acceptance into service occurring in month 38 of the contract.

(11) Project Air 5333 has a current anticipated schedule to deliver operational system 32 months after contract signature and system acceptance 39 months after contract signature.

(12) There have been no proposed changes to the functional scope of the project by the preferred supplier. Based on ongoing requirements analysis and risk assessment processes, a modified technical solution has been proposed involving use of alternate sub-contractors for the provision of substantially off the shelf sub-systems.

(13) A proposal to apply $35.942m (December 2003) to fund communications infrastructure and integration elements of the project was approved by Government in July 2003. There is no proposal to change the pricing of the tendered command & control element of the project (ie the Budget allocated for Boeing Contracts).

(14) (a) and (b) The air defence command and control systems at Williamtown and Tindal have recently undergone an interim upgrade program to maintain existing capabilities until 2007.
The interim command and control systems have been installed at an approximate cost to the Commonwealth of $19m.

(15) At present, there are two RAAF units that are performing air defence command and control functions: No 114 Mobile Control and Reporting Unit (114MCRU) based in Darwin and 3 Control and Reporting Unit (3CRU) based in Williamtown. No 2 CRU at RAAF Tindal is being similarly equipped to provide a surge capacity for air defence command and control, especially during major exercise deployments or future operations.

QUESTIONS ON NOTICE
The interim command and control system currently operated by 3CRU at Williamtown was introduced into service in September 2001. The same interim command and control system operated by 114MCRU was introduced into service March 2002. The scope of Project AIR 5333 does not include upgrade to 114MCRU.

The interim upgrade to the existing systems, referred to in the answer provided to part (14), has allowed the RAAF to produce the Recognised Air Picture more effectively than has been the case in the past. The introduction of Project AIR 5333 will improve capability and remedy shortfalls, specifically in the areas of automated communications links and data flow, optimised human/machine interaction at operator consoles, the number and diversity of data and communications sources, and the number of customers that can be accommodated by the system.

**Light Metals and Renewable Energy Action Agendas**

(Question No. 1771)

**Senator Brown** asked the Minister representing the Minister for Industry, Tourism and Resources, upon notice, on 13 August 2003:

(1) How much money has been spent on the Light Metals Action Agenda since its inception, including a breakdown by: (a) year; and (b) initiative.

(2) How much money has been spent on the Renewable Energy Action Agenda since its inception, including a breakdown by: (a) year; and (b) initiative.

(3) What funding has been committed to each of these action agendas in each of the coming years.

**Senator Minchin**—The Minister for Industry, Tourism and Resources has provided the following answer to the honourable senator’s question:

(1) (a) The Light Metals Action Agenda (LMAA) is a partnership between industry and Government. As such, the Department of Industry, Tourism and Resources can only account for its expenditure on the Action Agenda. The following table provides the Departmental contribution by year to the Light Metals Action Agenda.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Total ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>0.181</td>
</tr>
<tr>
<td>2001-02</td>
<td>0.178</td>
</tr>
<tr>
<td>2002-03</td>
<td>0.054</td>
</tr>
<tr>
<td>Grand Total</td>
<td>0.413</td>
</tr>
</tbody>
</table>

(b) The Department is unable to disaggregate the expenditure by initiative. However, the Department’s effort has been directed towards working with industry and State and Territory governments to implement the recommendations of the Light Metals Action Agenda Strategic Leaders Group Report to Government, Australia Leading the Light Metals Age. The Department recently contributed $10,000 from its 2002-03 Light Metals Action Agenda budget to co-sponsor (with industry and State Government assistance) the First Implementation Focus Forum of the Light Metals Action Agenda (June 2003). The Forum actioned, in part, Recommendation 21 of the Action Agenda. The Action Agenda funds have occasionally been supplemented with contributions from other Government programs. For example, an additional $49,000 in funding was provided under the Innovation Access Program-Industry to conduct a Light Metals Action Agenda Technology Diffusion Workshop on 13 June 2003, which actioned, in part, Recommendation 16 of the Action Agenda.

(2) (a) The Renewable Energy Action Agenda (REAA) is a partnership between industry and Government. As such, the Department of Industry, Tourism and Resources can only account for its expenditure on the Action Agenda. The following table provides the Departmental contribution by year to the Renewable Energy Action Agenda.

...
Financial Year | Total ($ million)
---|---
1998–99 | 0.120
1999–00 | 0.445
2000–01 | 0.360
2001–02 | 0.355
2002–03 | 0.340
Grand Total | 1.620

(b) The Department is unable to disaggregate the expenditure by initiative. However, much of the Department’s effort has been directed towards Initiative 3: Implementing a Renewable Energy Export Strategy and Initiative 9: Renewable Energy Industry Innovation Strategy, as well as contributing to the overall Renewable Energy Action Agenda process. The Government has also provided additional support to activities relevant to the Renewable Energy Action Agenda through programs such as the Renewable Energy Commercialisation Program and the Renewable Energy Industry Development Program, administered by the Australian Greenhouse Office; and the Innovation Access Program, administered by AusIndustry.

(3) The Departmental funding that has been committed to the Light Metals Action Agenda for 2003-2004 is $100,000.

The Departmental funding that has been committed to the Renewable Energy Action Agenda for 2003-2004 is $340,000.

**United Nations Human Rights Commission**

(Question No. 1789)

**Senator Ludwig** asked the Minister representing Attorney-General, upon notice, on 15 August 2003:

With reference to the answer to question on notice no. 36 taken during the 2003-04 Budget estimates hearings of the Legal and Constitutional Legislation Committee:

1. What, if any, communications have been received either formally or informally.
2. Can all communications relating to this response be provided.
3. How much has the department spent on responding to these cases.
4. Can details of expenditures from 2001-02 to the present be provided.

**Senator Ellison**—The Attorney-General has provided the following answer to the honourable senator’s question:

1. The communication referred to in question on notice no. 36 taken during the 2003-04 Budget estimates hearings of the Legal and Constitutional Legislation Committee has not been received. Communications are received from the office of the United Nations High Commissioner for Human Rights. No communications are received informally.
2. The communication cannot be provided because it has not been received. If and when it is received, an outline of the communication will be tabled in Parliament, in accordance with normal processes. The identity of the parties concerned with the communication will not be made public, to preserve their confidentiality.
3. and (4) The cost of responding to communications to United Nations human rights committees is met from within the budget of the Attorney-General’s Department. The officers who perform this function are also responsible for other duties. Accordingly, it is not possible to provide details of expenditure associated with responding to communications.

**Nauru: Father Frank Brennan**

(Question No. 1820)
Senator Brown asked the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs, upon notice, on 22 August 2003:

With regard to the visa for Father Frank Brennan, a Jesuit Priest, to visit Nauru:

(1) Was the visa granted to Father Brennan for travel to Nauru; if so, when.

(2) Is it true that this visa was subsequently withdrawn; if so: (a) when; and (b) why.

Senator Ellison—The Minister for Immigration and Multicultural and Indigenous Affairs has provided the following answer to the honourable senator’s question:

(1) & (2) Under international law sovereign states have the right to determine who is entitled to enter and remain in their territory. Nauru, as a sovereign state, has therefore the right to determine for itself who it will allow to enter and who it will refuse entry. The policies and procedures relating to visas for Nauru are entirely a matter for the Government of Nauru.