INTERNET
The Journals for the Senate are available at

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

For searching purposes use
http://parlinfoweb.aph.gov.au

SITTING DAYS—2004

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>10, 11, 12</td>
</tr>
<tr>
<td>March</td>
<td>1, 2, 3, 4, 8, 9, 10, 11, 22, 23, 24, 25, 29, 30, 31</td>
</tr>
<tr>
<td>April</td>
<td>1</td>
</tr>
<tr>
<td>May</td>
<td>11, 12, 13</td>
</tr>
<tr>
<td>June</td>
<td>15, 16, 17, 21, 22, 23, 24</td>
</tr>
<tr>
<td>August</td>
<td>3, 4, 5, 9, 10, 11, 12, 30, 31</td>
</tr>
<tr>
<td>September</td>
<td>1, 2, 6, 7, 8, 9, 27, 28, 29, 30</td>
</tr>
<tr>
<td>October</td>
<td>5, 6, 7, 25, 26, 27, 28</td>
</tr>
<tr>
<td>November</td>
<td>22, 23, 24, 25, 29, 30</td>
</tr>
<tr>
<td>December</td>
<td>1, 2</td>
</tr>
</tbody>
</table>

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

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

THURSDAY, 12 FEBRUARY

Petitions—
  Political Parties: Legal Proceedings ................................................................. 20101
  Medicare ............................................................................................................. 20101

Business—
  Rearrangement ................................................................................................. 20102

Notices—
  Postponement .................................................................................................. 20102

Committees—
  Foreign Affairs, Defence and Trade References Committee—Variation of Reference ................................................................. 20102
  Ministerial Discretion in Migration Matters Committee—Extension of Time .... 20102
  Environment, Communications, Information Technology and the Arts References Committee—Extension of Time ............................. 20103
  Foreign Affairs, Defence and Trade References Committee—Meeting ........... 20103

Victoria: Australian of the Year ........................................................................... 20103

Committees—
  Senators’ Interests Committee—Report ............................................................... 20103

Health: Developing Countries ............................................................................... 20104

Budget—
  Consideration by Legislation Committees—Additional Information ................ 20104

Bills Returned from the House of Representatives ................................................. 20104

National Measurement Amendment Bill 2003—
  First Reading ..................................................................................................... 20105
  Second Reading ................................................................................................. 20105

Bills Returned from the House of Representatives ................................................. 20107

Health Legislation Amendment (Medicare) Bill 2003—
  Second Reading ................................................................................................. 20107

Primary Industries (Excise) Levies Amendment (Wine Grapes) Bill 2003—
  Second Reading ................................................................................................. 20144
  Third Reading .................................................................................................... 20146

National Residue Survey Customs Levy Rate Correction (Lamb Exports) Bill 2003 and National Residue Survey Excise Levy Rate Correction (Lamb Transactions) Bill 2003—
  Second Reading ............................................................................................... 20146
  Third Reading ................................................................................................... 20147

Ministerial Arrangements .................................................................................... 20147

Questions Without Notice—
  Trade: Free Trade Agreement ......................................................................... 20147
  Distinguished Visitors ....................................................................................... 20149

Questions Without Notice—
  Howard Government: Economic Policy ............................................................. 20149
  Trade: Free Trade Agreement ......................................................................... 20150
  Transport: Road Funding .................................................................................. 20151
  Taxation: Family Payments .............................................................................. 20152
  Trade: Free Trade Agreement ......................................................................... 20153
  Workplace Relations: Paid Maternity Leave ..................................................... 20154
  Agriculture: Sugar Industry .............................................................................. 20156
  Taxation: Family Payments .............................................................................. 20157
  Political Parties: Donations .............................................................................. 20158
CONTENTS—continued

Centrelink ..................................................................................................................... 20159
Australian Defence Industries: Sale ............................................................................. 20159
Ministerial Statements—
  Black Hawk Helicopter Accident ........................................................................... 20161
Questions Without Notice: Take Note of Answers—
  Taxation: Family Payments ..................................................................................... 20161
  Workplace Relations: Paid Maternity Leave ........................................................... 20161
Government Advertising—
  Return to Order ...................................................................................................... 20168
Committees—
  Treaties Committee—Report: Government Response ............................................ 20169
Documents—
  Auditor-General’s Reports—Report No. 28 of 2003-04 ........................................... 20175
Budget—
  Portfolio Additional Estimates Statements ............................................................. 20175
Committees—
  Rural and Regional Affairs and Transport Legislation Committee—Report .......... 20175
Budget—
  Consideration by Legislation Committees—Additional Information ..................... 20182
Documents—
  Aboriginal and Torres Strait Islander Commission .................................................. 20182
Trade: Free Trade Agreement .................................................................................... 20183
Documents—
  Wet Tropics Management Authority ..................................................................... 20207
  Great Barrier Reef Marine Park Authority ............................................................. 20209
  Refugee Review Tribunal .......................................................................................... 20212
  Department of Finance and Administration ............................................................. 20213
  Convention on the Elimination of All Forms of Discrimination Against Women ....... 20214
  Consideration ........................................................................................................... 20217
Committees—
  Membership .............................................................................................................. 20218
  Medicare Committee—Report .................................................................................. 20219
  Foreign Affairs, Defence and Trade References Committee—Report .................... 20220
  Consideration ........................................................................................................... 20225
Documents—
  Auditor-General’s Reports—Report No. 16 of 2003-04 ............................................ 20226
  Consideration ........................................................................................................... 20228
Adjournment—
  Foreign Affairs: Sri Lanka ....................................................................................... 20228
  Arts: ScreenSound Australia .................................................................................... 20230
  Environment: Australian Defence Industries Site .................................................... 20233
  Australian Wool Innovation ...................................................................................... 20235
Documents—
  Tabling ....................................................................................................................... 20237
Questions on Notice—
  Taxation: Bankruptcies—(Question No. 569) ............................................................ 20238
  Taxation: Consolidation Losses—(Question No. 679) ............................................. 20238
  Fuel: Ethanol—(Question No. 1276) ........................................................................ 20239
  Australian Defence Force: Military Compensation Scheme—(Question No. 1697) .... 20239
  Taxation: Diesel Fuel Rebate Scheme—(Question No. 2007) ................................... 20241
CONTENTS—continued

Fuel: Ethanol—(Question No. 2010)................................................................. 20241
Treasury: Institute of Public Affairs—(Question No. 2061) ................................. 20241
Commissioner of Taxation: Portfolio Responsibility—(Question No. 2170)........ 20242
Defence: High Court of Australia Flyover—(Question No. 2321).......................... 20242
Australia Post: Gateway Facilities—(Question No. 2413) .................................. 20243
Australia Post: Discrimination—(Question No. 2414) ........................................ 20243
Telstra: Faxstream—(Question No. 2416) .......................................................... 20244
Telstra: Credit Control—(Question No. 2417) ..................................................... 20244
Telstra: Interception Capability—(Question No. 2418) ....................................... 20245
Special Broadcasting Service: Staff Travel—(Question No. 2420) ..................... 20246
Telecommunications: Television—(Question No. 2422) ................................. 20246
Australian Broadcasting Authority: Codes of Conduct—(Question No. 2424) ...... 20248
Australian Broadcasting Authority: Professor Flint—(Question No. 2425) ......... 20249
Australia Post: Mail Dispatch Products—(Question No. 2440) ......................... 20251
Education, Science and Training: Alternative Dispute Resolution—(Question No. 2447) ................................................................. 20251
Customs: Coastwatch—(Question No. 2460) ..................................................... 20252
Trade: Free Trade Agreement—(Question No. 2464) ......................................... 20253
Defence: Submarine Rescue Services—(Question No. 2468) .............................. 20253
Health: HIV-AIDS—(Question No. 2481) .......................................................... 20255
Aviation: Sydney Airport Master Plan—(Question No. 2495) ............................. 20255
Environment: Tarkine Region—(Question No. 2507) ......................................... 20257
Taxation: Advertising Expenses—(Question No. 2513) ..................................... 20258
Thursday, 12 February 2004

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

PETITIONS

The Clerk—Petitions have been lodged for presentation as follows:

Political Parties: Legal Proceedings

To the Honourable President and members of the Senate in Parliament Assembled,

We, the undersigned, all being Australian citizens, respectfully request that a Senate enquiry be undertaken into the matter of the gaoling of Pauline Lee Hanson and David William Ettridge by the courts of the state of Queensland.

We believe the above mentioned were denied natural justice for the following reasons:

1. We believe the trust fund “Australians For Honest Politics” was intentionally set up by a serving minister of the Crown to discredit Australian citizens and derail their political ambitions. We further believe the nature of the trust to be malicious and indeed even the name misleading.

2. We question the evidence submitted at the trial as it has since been admitted by witnesses that their testimony was perjury and in some cases paid for by Australians For Honest Politics Trust Fund.

3. We believe the presiding justice contradicted herself in the summing up and instruction to jurors phase of the trial.

4. We believe there was no Mens Rea, no intent to commit a crime.

5. The jury in the trial were aware of further pending charges what were later dropped and may have unduly biased them.

6. We believe that a large number of Australians have been disenfranchised by a co-ordinated campaign of political character assassination.

7. We believe the only person who can cause a political party to be deregistered by fraud or misrepresentation, is this case to be the Electoral Commissioner of Queensland, as the responsible authority. We see this lapse as a breach of their duty of care and seek redress on this matter.

We humbly pray the Senate will investigate there matters and others that arise during the said investigation.

Respectfully,

by Senator Harris (from 1,046 citizens).

Medicare

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

The petition of the undersigned shows:

We strongly support Medicare, our universal public health system. Medicare is an efficient, effective and fair system, which provides access to care based on health needs rather than ability to pay. This helps to define Australia as a fair, compassionate and caring community. However, Medicare is currently being undermined by the Howard Government through under-funding and cost shifting to the sick. We reject totally what will result from the proposed changes to Medicare: the establishment of a two-tier US-style health system.

Access to quality health care for all Australians is a basic human right that must be ensured.

Your petitioners request that the Senate should:

oppose all Howard Government policy initiatives that will undermine the integrity, universality and ongoing viability of Medicare;

ensure bulk billing for all Australians as a fundamental cornerstone of our health system;

institute an independent national inquiry into the future of the Australian health system, so the community determines the type of health system that meets its needs; and

make no change to Medicare until this national independent inquiry is finalised.

by Senator McLucas (from 600 citizens).

Petitions received.
BUSINESS

Rearrangement

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

That the following government business orders of the day be considered from 12.45 p.m. till not later than 2 p.m. today:

No. 7 Primary Industries (Excise) Levies Amendment (Wine Grapes) Bill 2003

No. 8 National Residue Survey Customs Levy Rate Correction (Lamb Exports) Bill 2003

National Residue Survey Excise Levy Rate Correction (Lamb Transactions) Bill 2003

Question agreed to.

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

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

(a) general business notice of motion No. 763 standing in the name of Senator Conroy, relating to the free trade agreement between Australia and the United States of America; and

(b) consideration of government documents.

Question agreed to.

NOTICES

Postponement

Items of business were postponed as follows:

Business of the Senate notice of motion no. 1 standing in the name of Senator Conroy for today, relating to the disallowance of Schedule 3 of the Corporations Amendment Regulations 2003 (No. 8), as contained in Statutory Rules 2003 No. 282, postponed till 8 March 2004.

Business of the Senate notice of motion no. 2 standing in the name of Senator Allison for today, relating to the disallowance of the Fuel Quality Information Standard (Ethanol) Determination 2003, postponed till 1 March 2004.

Business of the Senate notice of motion no. 3 standing in the name of Senator Nettle for today, relating to the reference of a matter to the Finance and Public Administration References Committee, postponed till 1 March 2004.

General business notice of motion no. 753 standing in the name of Senator Murray for today, proposing that the Joint Standing Committee on Electoral Matters reconstitute an inquiry into funding and disclosure, postponed till 1 March 2004.

COMMITTEES

Foreign Affairs, Defence and Trade References Committee

Variation of Reference

Senator MACKAY (Tasmania) (9.33 a.m.)—by leave—At the request of the Chair of the Foreign Affairs, Defence and Trade References Committee, Senator Cook, I move:

That the resolution of the Senate of 30 October 2003, relating to the terms of a reference of the Foreign Affairs, Defence and Trade References Committee on the effectiveness of the Australian military justice system, be amended by replacing paragraph (2)(c) with “the suspension of Cadet Sergeant Eleanore Tibble”.

Question agreed to.

Ministerial Discretion in Migration Matters Committee

Extension of Time

Senator LUDWIG (Queensland) (9.34 a.m.)—I move:

That the time for the presentation of the report of the Select Committee on Ministerial Discretion in Migration Matters be extended to 31 March 2004.

Question agreed to.
Environment, Communications, Information Technology and the Arts References Committee

Extension of Time

Senator CHERRY (Queensland) (9.34 a.m.)—I move:

That the time for the presentation of the report of the Environment, Communications, Information Technology and the Arts References Committee on the Australian telecommunications network be extended to 31 March 2004.

Question agreed to.

Foreign Affairs, Defence and Trade References Committee

Meeting

Senator MACKAY (Tasmania) (9.34 a.m.)—At the request of the Chair of the Foreign Affairs, Defence and Trade References Committee, Senator Cook, I move:

That the Foreign Affairs, Defence and Trade References Committee be authorised to hold a public meeting during the sitting of the Senate on Monday, 1 March 2004, from 4 pm, to take evidence for the committee’s inquiry into the effectiveness of the Australian military justice system.

Question agreed to.

VICTORIA: AUSTRALIAN OF THE YEAR

Senator RIDGEWAY (New South Wales) (9.35 a.m.)—I move:

That the Senate—

(a) congratulates Bernadette McMenamin who was named 2004 Australian of the Year for Victoria;

(b) notes that some of her achievements include:

(i) founding Child Wise Limited in 1993, a not-for-profit company which works towards the attainment of a world free from child exploitation, child sex abuse and child sex tourism, and

(ii) establishing the award-winning Choose with Care information and training program, the Child Wise Tourism and the Travel with Care programs which provide education, training and information on child sex tourism to the tourism industry;

(c) also notes that, according to a recent report from Child Wise, Australian paedophiles have now become part of the growing child sex trade in Bali; and

(d) calls on the Government to commit to providing ongoing support to organisations like Child Wise as a general principle of focussing on preventative measures against Australians involved in child sex tourism, rather than focussing on prosecution after the offence.

Question agreed to.

COMMITTEES

Senators’ Interests Committee

Report

Senator DENMAN (Tasmania) (9.36 a.m.)—On behalf of the Chair of the Committee of Senators’ Interests, I present the annual report for 2003.

Ordered that the report be printed.

Senator DENMAN—I move:

That the Senate take note of the report.

The report I have just tabled marks a small anniversary in the life of the Committee of Senators’ Interests in that it is the committee’s 10th annual report. The resolutions relating to the declaration of senators’ interests and the establishment of the committee were agreed to on 17 March 1994. The regime is thus 10 years old next month. During this parliament the committee undertook the first comprehensive review of the resolutions since they came into effect and, as a result, recommended a number of changes which were adopted by the Senate on 17 September last year. The most important changes were:

(1) a change in the dollar thresholds for declarations of interests and gifts, to take into account the effect of inflation since the resolution came into operation; (2) a new re-
requirement for all senators to make fresh declarations when a new Senate term begins, not just those senators being sworn in; and (3) the removal of the requirements for a separate oral declaration of interests in debate or before divisions on the grounds that the senators’ interests are already on the public record in the register.

The committee also took the opportunity to revise the explanatory notes for the guidance of senators in making declarations and these notes, together with the consolidated resolutions and the forms determined by the committee, were published in a new information booklet tabled in October last year and distributed to all senators. In this report the committee notes a slight increase in requests for public access to the register and recommends the continuation of its practice of tabling regular six-monthly updates to the register. I commend the report to the Senate.

Question agreed to.

HEALTH: DEVELOPING COUNTRIES

Senator ALLISON (Victoria) (9.38 a.m.)—by leave—I move:

That the Senate—

(a) notes that:

(i) 42 million women, men and children are living with HIV/AIDS globally, with more than 95 per cent of these people living in developing countries,

(ii) more than 3 million die each year of AIDS (8,500 a day),

(iii) there are more than 7.4 million people living with HIV/AIDS in Asia and the Pacific,

(iv) every year, 2 million people die of tuberculosis (TB) (i.e. more than 5,000 a day) and 8 million develop active TB,

(v) malaria kills between 1 and 2 million people each year,

(vi) there are more than 3 million confirmed cases of malaria in South-East Asia and the Pacific each year,

(vii) the Global Fund to Fight AIDS, Tuberculosis and Malaria, endorsed by the United Nations General Assembly in 2001, is already saving lives, contributing to placing 700,000 people on anti-retroviral treatment for HIV/AIDS, detecting and treating more than 2 million TB cases and providing 64 million bed nets to protect people from malaria transmission,

(viii) 2 years after its creation, the fund is facing a massive shortfall in funding, and

(ix) according to the Equitable Contributions Framework, Australia should be contributing 1.2 per cent of the fund’s resources, or $AU110 million for the period 2002 to 2004; and

(b) urges the Government to join the United States of America, the United Kingdom, Japan and France in contributing to the fund, in accordance with the Equitable Contributions Framework.

Question agreed to.

BUDGET

Consideration by Legislation Committees Additional Information

Senator FERRIS (South Australia) (9.39 a.m.)—At the request of the chair of the Employment, Workplace Relations and Education Legislation Committee, Senator Tierney, I present additional information received by the committee relating to supplementary hearings on the budget estimates for 2003-04.

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 Legislation Amendment (Identification and Authentication) Bill 2003
NATIONAL MEASUREMENT AMENDMENT BILL 2003

First Reading
Bill received from the House of Representatives.

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (9.39 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—Manager of Government Business in the Senate) (9.40 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—

NATIONAL MEASUREMENT AMENDMENT BILL 2003

The National Measurement Amendment Bill 2003 is a Bill to amend the National Measurement Act 1960. This is the legislation that establishes Australia’s national measurement system and provides the basis for setting and regulating measurement standards.

The National Measurement Act gives effect to the Commonwealth’s constitutional power for “weights and measures”, granted under section fifty one—subsection fifteen of the Australian Constitution.

No doubt, when the Constitution was drawn up, “weights and measures” had a more limited meaning than can be attributed to it today. Measurement functions today cover a wide spectrum of physical and chemical, legal and biological standards and measuring techniques.

The National Measurement Amendment Bill delivers the Government’s announcement in the 2003/2004 Budget that it would establish a National Measurement Institute that will cover all these aspects of measurement.

Measurement underpins every aspect of our lives. It is the foundation for all forms of disease diagnosis and health care, forensic science, environmental monitoring, occupational health and safety, and consumer confidence and protection. It provides the basis for successful trade and commerce. It drives the continuous development of science, technology and industry innovation.

Every nation has a profound reliance on its ability to measure accurately.

Government has a crucial role in maintaining and fostering the development of a rigorous and cohesive metrology system that links to international measurement standards and is responsive to changing technologies and international trade demands.

Many measurement requirements are supported by legislation or regulation. These aspects become part of Australia’s legal metrology system.

This Bill will enhance the operation of our measurement system and the way in which measurement services are delivered to government and industry.

Establishing the National Measurement Institute involves the amalgamation of three government agencies that currently provide measurement standards and services to government and industry in Australia.

By doing this, national functions in physical, chemical and biological measurement will be brought together into a single agency and under a single legal metrology framework.

The National Measurement Institute will be formed by amalgamating the National Measurement Laboratory, a national facility within CSIRO; the National Standards Commission; and the Australian Government Analytical Laboratories.

The National Measurement Laboratory maintains and develops Australia’s national standards of physical measurement. It’s against these standards that we set our measurement of mass, area, length, voltage, time, volume and light. On-going developments in these measurement standards provide industry with the tools to take Australia to
the forefront of innovation and technological development. The National Measurement Laboratory also provides services in calibration against our primary standards of measurement that are vital to government and industry.

The National Standards Commission administers our legal metrology system under the National Measurement Act 1960. It provides testing and approval of the basic designs of measuring instruments for use in trade and commerce. It also has a regulatory role with regard to utility meters.

The Australian Government Analytical Laboratories provide a wide range of chemical and biological measurement services. AGAL has an international reputation for its quality production of chemical and biological measurement standards. Its measurement services support key programs of Australian government agencies, such as the forensic work of the Australian Federal Police and the Australian Customs Service; the drugs-in-sport testing program of the Australian Sports Drug Agency; the National Residue Survey of the Department of Agriculture, Fisheries and Forestry; as well as food import standards required by AQIS. AGAL also provides chemical and biological measurement services to industry that help underpin developments in new techniques, including in the areas of biotechnology.

The Government’s announcement of a National Measurement Institute has been welcomed by industry. The new institute will provide a one-stop shop and better coordinated support for industry clients. Some clients, like those in the electricity and gas industries, need physical, chemical and legal measurement services. These will now be delivered by a single agency.

New enabling technologies, such as biotechnology and nanotechnology, span the traditional disciplines. Measurement in these areas draws on physical, chemical and biological techniques. The National Measurement Institute, with expertise in all these areas, will better support these new technologies.

The National Measurement Institute will provide national leadership in legal metrology. It will work with State and Territory weights and measures bodies to foster compliance with measurement standards in commerce.

To ensure the strategic direction and work of the institute remain focussed on the needs of stakeholders, an advisory forum representative of key stakeholders will be set up to provide advice on these aspects.

The Bill establishes the National Measurement Institute within the Department of Industry Tourism and Resources.

The National Standards Commission will be dissolved and its staff, together with staff from the National Measurement Laboratory and the Australian Government Analytical laboratories, will form the National Measurement Institute.

Having the National Measurement Institute within the Department will provide a strong corporate support network for the new institute and enable better coordination with government policy objectives.

In keeping with the governance arrangements for the institute, metrological functions of the Commonwealth are vested in the Secretary of the Department. Key metrological functions are set out in the Bill. These functions are representative of the broad scope of tasks the institute will undertake and measurement services it will provide.

The Bill establishes a position of Chief Metrologist.

The Chief Metrologist will be an employee of the Department under the Public Service Act 1999. He or she will be engaged by the Secretary of the Department and be responsible to the Secretary—and through the Secretary to the Minister.

The Bill vests in the Chief Metrologist a number of specific functions and powers that are contained in the National Measurement Act 1960 and that are currently being exercised by the National Standards Commission and CSIRO through its National Measurement Laboratory. These relate essentially to maintaining and developing standards of measurement and providing pattern approval services.

The Bill ascribes other specific functions and powers relating to appointments and enforcement to the Secretary. This is in keeping with legislative policy principles.

The Chief Metrologist will be a scientist of international standing with expertise in metrology. He
or she will provide scientific leadership within the institute and contribute to further enhancing Australia’s contribution in international metrology forums.

The Bill provides flexibility as to the engagement of the Chief Metrologist as chief executive of the National Measurement Institute. It is expected that there will be a chief executive who will provide leadership and management of the business unit; while the Chief Metrologist will provide scientific leadership and exercise the functions given to him or her by the Bill.

The decision to create a National Measurement Institute and to bring chemical and biological measurement into the functions of the institute and into the legislation underlines the contemporary importance of these measurement functions for innovation in industry and for trade. It also highlights the increasing need for more rigorous metrological principles to be applied to chemical and biological measurement.

The National Measurement Institute will be a significant milestone in the history of measurement in Australia and a legacy to the commitment and contribution to more accurate measurement that have been made by science and industry.

Australian businesses, research organisations, and government agencies can have increased confidence in the research and measurement services available to them through the National Measurement Institute.

Debate (on motion by Senator Mackay) adjourned.

BILLS RETURNED FROM THE HOUSE OF REPRESENTATIVES

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

Health Legislation Amendment (Private Health Insurance Reform) Bill 2003 [2004]

HEALTH LEGISLATION AMENDMENT (MEDICARE) BILL 2003

Second Reading

Debate resumed from 10 February, on motion by Senator Vanstone:
might have children who need continuing treatment but not hospital treatment, such costs can be absolutely prohibitive to their daily existence. Yet this bill, while trying to help with those costs, is being rejected by the opposition in this parliament. They and they alone will have to answer to the public for that sort of action, and I hope that they are put under extreme pressure to answer for that action. Considering that at least 200,000 people a year will benefit from this bill, one would have thought that for once the Labor Party could put aside their political grandstanding and vote for something that this government has introduced for the sake of the country; but no, they are going to oppose it.

Quite frankly, I think that before Christmas in the House of Representatives they decided to oppose it on a whim. After all, it was government legislation and that was a good enough reason to oppose it—‘Let’s not look at the content.’ Ms Gillard decided, just on a breeze, that they would oppose it and now they are stuck with it. They have had to ignore a lot of the evidence that was presented to the committee. They have had to ignore the evidence of the medical practitioners, who have said that this is a desirable piece of legislation that should be passed sooner rather than later. They have ignored the wishes of so many people who are suffering long-term illness who want help. They have decided that they do not want to help those people for whatever reason. In debating this bill today, as opposed to the committee process that Senator Bartlett, Senator Humphries and I sat through—

Senator Ian Campbell—It went for 25 weeks.

Senator KNOWLES—I would be fascinated to see them come in here and explain why it is that whenever any money is injected into Medicare they want to vote against it.

Senator Ian Campbell—Twenty-five weeks in committee and now they filibuster the Senate.

Senator KNOWLES—That is exactly right, Senator Campbell. It is a very important comment. It would be a very desirable outcome if we could have this bill passed today, considering that it could have been passed last year. But no, the Labor Party has wheeled out a whole heap of people onto the speakers list, many of whom have no interest whatsoever in health.

Senator Ian Campbell—You know it’s a ‘fill the bucket’ list when Senator Buckland is on the list!

Senator KNOWLES—A few of them on the list have never spoken on health matters in this place. Obviously they were rung by their whip this morning and have been told, ‘We don’t want this to go to a vote by 12.45 p.m. We want you to go in there, take up the time of the Senate and reject a bill that will be putting $266.4 million into Medicare.’ That $266.4 million will simply go back to general revenue and will not be spent, thanks to the Labor Party.

I do not know what the Greens are going to do—one can never tell what the Greens are going to do. I do not know whether Senator Nettle is in here to speak on the bill. I have not seen her at any of the hearings. I have not heard her make any contribution on this particular issue. Once again, it would be interesting to know, if she is opposing it, why she is doing so. Is she prepared to send $266 million back into general revenue, instead of giving it to people who need it? Is she that well off that she cannot even bear to think of those people who need that sort of assistance? It is a valid question. I do not think there are too many people out there in voter land who would say, ‘I’m that well off
that I do not need assistance,’ when there is some long-term illness, accident or catastrophic event in their life and would prefer not to have that type of assistance.

When we talk about out-of-hospital out-of-pocket expenses we are not just talking about specialists’ fees. We see the Labor Party politics of envy and greed and so on saying, ‘You’ve just got to cut the specialists’ fees.’ Any one of us would agree that, at times, specialists’ fees are way over the top. But that is not the issue with this bill. The issue with this particular piece of legislation is that it covers general practitioners, it covers specialists, it covers any tests that might be done for pathology or radiology, it covers pap smears, it covers chemotherapy or radiotherapy and a whole range of other treatments that are required for ongoing illness.

The bill also covers psychiatry. Take, for example, people who have been adversely affected by a traumatic event, such as a motor vehicle accident. You might be able to stitch them up, you might be able to get rid of their bruising and you might be able to repair their broken bones. But quite often you might not be able to repair quite as easily the psychological impact of that accident. The ongoing costs of psychiatric treatment can also be crippling, as can the costs of physiotherapy. But do the Labor Party care? I do not think so, because clearly, if they did care, they would not be filibustering on this bill. They would be coming in here, putting up their hands to vote for it immediately and saying, ‘Let’s put this into play now and give people assistance.’ Do they want to do that? No, they do not. All they want to do, as I said yesterday, is carp and harp about the bulk-billing rate.

We have to remember that as part of Medicare, which was introduced by the Labor Party, there was never a compulsion for 100 per cent Medicare bulk-billing—never. Unfortunately, I do not have the quotes here with me today from Dr Neal Blewett, who introduced Medicare. But he clearly stated that there was no compulsion for doctors to bulk-bill patients. And there is nothing in this piece of legislation that will prevent a doctor from bulk-billing a patient.

But we have even seen, as part of the broader debate, the Labor Party wanting to question and, if they could, knock back an increase of $5 in the rebate to concessional card holders. That is how politically blind they are now. They cannot cope with it. But the mere fact of the matter is that, if we did have 100 per cent bulk-billing by general practitioners, it would not solve the problems being encountered by patients with out-of-hospital out-of-pocket expenses. They would still have those bills even if there was 100 per cent bulk-billing, even if it was back to 80 per cent. But what does the Labor Party say? ‘Sorry, we’re not going to give you the assistance.’ So those people with chronic conditions are still, if it is left to the Labor Party, going to be confronted with this problem on an ongoing basis.

The MedicarePlus measures add $1.5 billion to the previously announced $917 million committed in the A Fairer Medicare package. What have the Labor Party done with both packages—the largest injection into Medicare in living memory? They have completely and utterly rejected both of those packages out of hand. I put to the Senate that it is a requirement for this bill to be passed urgently, and I ask the Labor Party not to filibuster with this bill but to have it passed by the Senate today.

Senator NETTLE (New South Wales) (9.56 a.m.)—It is clear—in fact 100 per cent crystal clear for anyone who has their eyes open—that this government is intent on destroying Medicare, and that the Health Legislation Amendment (Medicare) Bill 2003 that
we are debating today in the Senate is simply the latest instalment in Prime Minister John Howard’s long campaign to destroy Australia’s universal national health care system. The Howard government has been running down Medicare since it came to office, and now it is seeking to drive that final nail into the coffin of universal health care in this country. If the Senate supports this legislation then it will stand condemned for failing the Australian people and putting politics ahead of good public policy and the health concerns of millions of Australians. Medicare is in peril because this legislation is part of a plan to turn it into a welfare safety net. This is in blatant disregard of what Australians deserve and of what they want. Australians support Medicare.

The government’s first attempt at addressing the rising tide of concern amongst Australians about access to general practitioners and the continued decline in bulk-billing—that was the so-called A Fairer Medicare package—was overwhelmingly rejected. That is because it sought to turn Medicare into a welfare measure and push most Australians into privatised health care. The latest version is a more expensive recipe for disaster. The so-called MedicarePlus package is more of the same—targeted at those the government deems needy and a threadbare safety net for everybody else.

No-one should be fooled into believing that the government’s latest package demonstrates a commitment to Medicare or to bulk-billing. Despite what the Prime Minister and the health minister say, what they want to do is to promote bulk-billing for some but not for all Australians and to force everybody else to pay more money to visit the doctor when they are sick. This is about favouring private health over public health, with a grudging acceptance that some needy individuals may still need government assistance in meeting their health needs.

The Doctors Reform Society of Australia say that the government’s changes to Medicare will lead to higher health costs, reduced bulk-billing and reduced access to health care. They also say they will condemn needy people to second-rate health care and endanger the lives of many people who will not qualify for the safety nets.

The National Rural Health Alliance says that there is little in the package for bulk-billing in rural areas and that the new differential GP rebate represents a serious move away from universality. The Australian Consumers Association says that, in the medium term, bulk-billing for most Australians will almost disappear. As I said last night in the chamber, Canberra University health economist Ian McAuley estimates that bulk-billing rates will fall to as low as an average of 40 per cent across the country. They are lower than that in some areas already today. Is this the sort of public health care system that the Senate thinks is appropriate? The Greens do not believe it is appropriate.

The ACTU says that more and more average income earners will be forced to pay up-front for GP visits, even though Australians have already paid for Medicare through the Medicare levy and general taxation. They should not have to pay a third time round because this government has dismantled bulk-billing. This government is proposing to say to Australians who have health care needs that the user should pay once, the user should pay again and then, when the user is sick and needs to go to the doctor, the user should pay a third time around. We Australians pay our taxes in the knowledge that some of that revenue will pay for our children’s check-ups. We pay a Medicare levy knowing that our friends and neighbours can regularly access a GP and stay healthy. It is this collective community benefit that universality delivers, but this system is undermined when the government asks us to pay
again an up-front fee of $25, $50 or more each time we need to visit a doctor.

Minister Abbott says that bulk-billing rates might rise a little, but the government has costed this Medicare package based on no increase in bulk-billing rates. Minister Abbott also says that he does not really mind if bulk-billing rates keep falling from the 14-year low of 67.4 per cent to around 62 per cent. Australians in regional, rural and remote areas already have less access to bulk-billing. The rate is around 53.4 per cent in large rural centres compared with the capital cities, where it is around 75 per cent. This package will see a further decline in the ability of rural Australians to find a doctor who bulk-bills. Bulk-billing has fallen to the low 30s in some areas, and it is sure to keep falling while the government continues to refuse to bring rebates for all consultations up to sustainable levels. This deliberate refusal leaves doctors in no doubt that universal bulk-billing is not supported by this government. This is an attitude that ultimately will accelerate the demise of the public health system in this country.

We know that Prime Minister Howard has never liked bulk-billing. We remember in 1987 when he went so far as to call it a rort. Doctors remember this too and should be rightly suspicious of ministers expressing a passion for the system and for bulk-billing. The problem is that the Prime Minister does not seem to understand that bulk-billing does matter. Bulk-billing ensures that no-one is prevented from seeing a doctor because of an up-front fee. Delaying medical treatment costs everyone a lot more in the long run. Good primary health care is good preventative health care.

The government has been putting increasing emphasis and resources into promoting preventative health care but its Medicare package will undermine any good work it has done on preventative health care in this country. The Australian Greens believe that bulk-billing is vital, that every Australian has an entitlement to bulk-billing and that government has a responsibility to give meaning to this entitlement. Several factors have caused the fall in bulk-billing rates. It will not be easy to reverse this, but it is not impossible. The government lacks a commitment to turn around the falling bulk-billing rates we are seeing in this country. When it released its original proposal, the government never promised to increase bulk-billing rates and now Minister Abbott has admitted that the government already considers Medicare to be a safety net and that slugging sick Australians with more fees when they go to the doctor is a private matter between patients and the doctor.

The Australian Greens disagree profoundly with this view of Medicare. We should be finding ways to increase the rate of bulk-billing for everyone, not to entrench bulk-billing as a second-rate payment system reserved for those deemed by the government to be needy. When it comes to health, we are all in need at some time and we should all have access to comprehensive quality public health care. If the government thinks that a $5 increase will encourage doctors to bulk-bill, it should increase the rebate for all Australians across the board. It is ridiculous for Minister Abbott to have said late last year that the government cannot find the $400 million a year that it would cost to do that, when this government spends $2.4 billion of public taxpayers’ money subsidising the private health insurance industry.

The proposed safety nets in this bill are a tacit acknowledgment by the government that bulk-billing rates will continue to fall for most Australians. The Prime Minister says that the principle behind the safety nets is to protect people against unreasonably high expenses. But the safety nets have massive
holes in them. They will not provide peace of mind for all Australians about the cost of their health care. Australians need a universal national health insurance scheme—not a safety net with holes in it.

The government’s safety net is inflationary and its value diminishes over time. Professor John Deeble told the second Medicare inquiry that the safety nets amounted to the government agreeing to pay a higher proportion of increasingly rising specialists’ fees. The failure of safety nets was one of the main reasons that Medibank was introduced. Safety nets are not set in stone forever by this legislation. They can and will be changed by governments looking for spending cuts. That will lead to sick people paying more to visit the doctor—and that is just the people who have not fallen through the safety net. This is simply not good enough when we are talking about the health of the Australian population. The Greens and others say that safety nets must not be allowed to become the primary focus of government policy, enabling bulk-billing rates to drop and to continue to be ignored.

The safety nets proposed in this legislation are the latest instalment in the government’s drive to privatisate health care in this country. As I said yesterday in this chamber, the government cut almost $1 billion out of the latest Australian Health Care Agreements with the states last year even though its own policy of neglect had forced more and more people into public hospitals to seek treatment that GPs could and should be providing. The government wants to increase the patient copayment for essential, life-saving medicines by 30 per cent, but thankfully the Senate has prevented it. We are yet to see the detail of how, in a free trade agreement with the United States, this government has consented to sick Australians paying more money to US pharmaceutical companies for the medicines that they need.

We can gauge the government’s priorities not only by how much public money it spends but by where it directs that spending. The entire funding for the four-year Medicare package is equal to what the government spends on the private health insurance rebate every year. Australians are spending more and more on private health. This is not so bad if it is for services and products that are optional extras; but it is bad when private fees become a barrier to accessing primary care—and there is increasing evidence that this is the case. The government’s Medicare package continues the privatisation push. Privatising health care is bad economics because it drives up the total cost. For example, a procedure performed in a private hospital costs on average three times more than the same procedure being performed in the public hospital system.

Privatising health care is poor social policy. Do we want to head in the direction of the United States in relation to health care? The US spends 14 per cent of its gross domestic product on health care but has 42 million people who are without any form of cover. This results not only in bankruptcies from massive hospital bills but also—and more shockingly—unnecessary pain, suffering and ultimately death for want of the dollars to pay the premiums. This is where Prime Minister Howard is seeking to take Australia with his vision and with this legislation. Private health care will come to dominate—making a few people very rich—and public health care will become something only for the poor, which most Australians refuse to invest in because they no longer have a stake in it.

The Australian Greens have a very different vision for Australia’s public health system. We regard access to health care as a human right. We believe all Australians have a stake in a strong public system. The Greens support an increase in the patient rebate of
$5 across the board, as we have done since April last year, and we support further financial assistance to help doctors who bulk-bill. This could be in the form of regular payments to help with practice costs. Other income increases should be tied to health outcomes. This could be done by remodelling the existing practice incentive payments. The Australian Greens say that we should be increasing our focus and spending on preventative health care, which currently accounts for around two per cent of government health care spending. One way to do this is for the Commonwealth and state governments to invest more in community health centres where salaried doctors can practice with other health professionals. This would be particularly attractive in rural and regional areas—providing professional support and reducing the costs of establishing and maintaining a private practice. This sort of model would also attract doctors who work part time.

The North Richmond Community Health Centre provides a good model for this sort of approach. The centre employs six GPs—most of them work part time—nurses, social workers, and youth and health promotions officers. It runs a dental scheme and a drug and alcohol program. Its services are free of charge. It works in a culturally diverse community and is located on the site of Victoria’s largest public housing estate. The focus is on preventative health care, holistic medicine that includes addressing the social determinants of health, and health professionals supporting each other. Its only Commonwealth funding is via the patient rebate for medical benefit schedule services, whilst other funding comes from state and local governments.

There are a few similar services in other parts of Melbourne but this is the kind of model that the Australian Greens say we should be trialling across the country, especially in areas with no or low levels of bulk-billing services available. Instead, we are faced today with legislation from the government that proposes turning our national, universal public health care system into a safety net. It is only available for those people whom this government deems to be needy. I will not go now into the issue that this government deems self-funded retirees who earn up to $50,000 a year to be needy and yet it does not deem working Australians who are earning just $35,000 a year to be needy.

This government is proposing to turn our universal public health care system into just a safety net for those people that it deems to be needy. Last night we had the debate on access to bulk-billing for those other than concession card holders or children under the age of 16. Today in this legislation the government is proposing that concession card holders and other individuals should have to fork out enormous amounts of private money before they have the capacity to have any rebate from the government. At the time that the government announced these proposals for the safety net, there were claims put forward by the Prime Minister and the health minister of the day to say that vast numbers of Australians will be eligible to access this scheme. They contrasted significantly with the number of Australians who had spent that amount of money on out-of-hospital, out-of-pocket expenses in the last financial year.

This government is not prepared to invest in strengthening our public health system. Instead, it is trying to destroy it. The Senate cannot let this happen. This bill should be rejected in the interests of patients. It should be rejected in the long-term interests of the community. It should be rejected in the interests of an Australia that can still look after all its people—young, old, rich or poor—through collective effort for collective benefit.
Senator CHRIS EVANS (Western Australia) (10.16 a.m.)—I rise to speak on the Health Legislation Amendment (Medicare) Bill 2003. I indicate on behalf of the Labor opposition that we will be opposing this bill. It is a significant component of the government’s MedicarePlus package. In our view, MedicarePlus represents an attempt to undermine the fundamental nature of Medicare. Medicare was designed—and, until the Howard government, has been generally respectfully treated by governments of all colours—as a universal insurer that delivers health care benefits based on need, not on income. However, the Howard government has sought to change this with its ideological insistence to insert means testing into Medicare, a universal insurance system that is designed to be progressive and that takes account of Australians with different financial means.

The Medicare levy is a progressive tax of 1.5 per cent. High-income earners pay more to support Medicare than low-income earners in order to protect the principle that every Australian can access a doctor when they need to without fear of being unable to pay for the consultation. That is what universality means, and that is what a Labor government is determined to return. Medicare is a universal health insurance system that ensures that all Australians get health care when they need it regardless of their ability to pay. That is why Labor is determined to protect bulk-billing, which is an integral part of the system—and not middle-class welfare, as some in the Liberal Party would have us believe.

Australians pay for their health care through their taxes and should not need to routinely pay cash at the point of service as well. Medicare is about taxpayers insuring themselves and other Australians against the possibility of needing a doctor through the year, not about individuals paying a hefty sum to a doctor for each and every consultation that they need through that year. However, the government is trying to persuade us otherwise. The government, through bloody-minded persistence and often sneaky arguments that mischaracterise the design and intent of Medicare, is trying to reduce people’s expectations of Medicare. Because the Prime Minister wants bulk-billing to die a quiet death, he is not making it a priority or even an objective to restore bulk-billing rates to the 80-plus per cent they were at in 1996. Labor is determined to restore bulk-billing and to oppose all measures that are designed to soften the blow that Australians will suffer if the government gets its way and dismantles our universal health insurance system, which is regarded very favourably throughout the world. For this reason and many others, Labor opposes this bill.

The safety net proposal, which is the centrepiece of this bill, is opposed by Labor. There are a number of reasons for this. Firstly, there are in fact two safety nets—two very different qualifying thresholds that different Australians will have to reach—that the government proposes. The separation of the safety net into two thresholds creates winners and losers in the system and offends the principle of universality. Secondly, the $500 and $1,000 thresholds are too high to effectively tackle the significant costs of accessing basic care and are instead focused on covering high-cost specialist fees. Thirdly, the thresholds are too high to deliver meaningful benefits to more than a tiny handful of Australians each year. Fourthly, the two categories of people chosen to receive the lower threshold—that is, concession card status or receipt of family tax benefit A—are not selected on the basis of their health needs. They are based on totally unrelated criteria. The categories particularly discriminate against those Australians without dependent children and low-income individu-
als, while providing significant benefits to many higher income families.

The tests of eligibility for the safety net are inappropriate because Australians who do not have children, many of whom are low-income earners, are not eligible for the family tax benefit A. Yet the FTBA is one of the two eligibility tests for access to the safety net. Not having children does not mean one is less likely to get sick or to have high medical costs. There are the extra costs of the health care of the children but, in terms of the individual, there is not necessarily a difference between a person who is a parent and a person who is not. The basic problem of safety nets and Medicare is that eligibility for a safety net is not based on the health need of the individual. Australians who are not eligible for family tax benefit A because they do not have children and who are not eligible for a health care card because they earn $1 over $17,500 are not eligible for the lower safety net. This means low-income-earning Australians who are very ill and have high medical expenses will not get a cent back from the government until they have spent more than $1,000 in any given year.

Labor’s fifth reason for opposing the government’s proposed Medicare safety net is that the functional simplicity of the Medicare system will be compromised and weakened by linking the benefits to the complicated family tax benefit A system. Everyone in this chamber, and most Australians, have become aware of the chronic and enormous problems that the government’s administration of family tax benefit eligibility has created.

All these problems, which the government has grappled with unsuccessfully for two or three years now, will be transported into Medicare for the first time ever. That is the sort of help Medicare does not need. So, if there are queries about a person’s entitlement to receive family tax benefit A over the course of a financial year, those uncertainties will affect their eligibility to access the safety net too. Finally, Labor opposes the safety net proposals because the payment of uncapped out-of-pocket benefits will have an inflationary effect and is generally poor public policy.

There was near universal consensus that the government’s safety net proposal should not be supported by the individuals and organisations that made submissions to the Senate committee inquiring into this bill. I commend that committee and its members for the work they have done over quite a long period. When one looks at the detail of the safety net proposals, it is clear that they have high eligibility hurdles to jump and most Australians will not be able to jump them. Under the government’s proposal, all concession card holders and families in receipt of family tax benefit A will be eligible for an 80 per cent rebate of all out-of-hospital, out-of-pocket expenses in excess of $500 in each calendar year. That is all very well, but, even if you are lucky enough to qualify because you receive family tax benefit A or have a health care card, you will need to spend $500 in a year on medical expenses before the safety net cuts in. Many Australians cannot afford to spend $500 on medical expenses each year, and many do not spend that much. The latter group will get no relief, and those who do get some relief will have to spend in excess of $500 before they get a cent back—they will get a rebate for each dollar they spend over $500.

For those families and individuals that do not get family tax benefit A or have a health care card, under the government’s proposal they will be eligible for an 80 per cent rebate on out-of-hospital costs in excess of $1,000 in each calendar year. The same objection applies—these Australians will need to spend $1,000 before they become eligible to get one cent back, and they will not get a
cent of the $1,000 they have already spent. So that is a sunk cost that the government will not be helping them with.

In the case of a self-funded retiree couple of pension age earning up to $80,000 per annum, they will be eligible for a health care card and hence for the $500 safety net. But a working couple without children, earning the same amount, will be eligible only for the $1,000 threshold. This is a clear inequity brought about by this rushed and ill-thought-out proposition. An individual working full time earning $35,000 per annum and who has a chronic medical condition will enter the safety net only after spending $1,000 out of their own pocket. But a self-funded retiree of pension age earning up to $50,000 will qualify for the lower threshold. These are gross inequities. There is no justification for them, and they are creating a deal of unfairness in the system and, as I say, infecting the Medicare system with family tax benefit problems that have plagued so many families in recent years and that have led to so many families having terrible debts and complicated discussions and arguments over eligibility.

The Senate Select Committee on Medicare found that the two categories chosen by the government for receiving the lower threshold—concessional status or receipt of the family tax benefit A—are both poor measures of need. There are many working people on low incomes and chronically ill individuals who struggle to meet health costs but do not qualify for concession cards. The government’s proposal also discriminates against those without dependent children. The relatively generous FTB part A income thresholds that apply to those with dependent children contrast markedly with the low cut-off levels for those without. A couple with dependent children may enjoy a concessional safety net threshold, notwithstanding that their income is over $80,000 per annum, whereas a single person without children would be subject to the $1,000 threshold on an income of less than one quarter of that of their neighbours. As well as being patently unfair, this deepens the poverty trap for many more Australians.

In fact about only 200,000 families and individuals will qualify for these two safety nets in any given year. This is about three per cent of all families, which is not many. So we are talking here about safety nets that are of no utility to most Australians. If the Howard government has its way, all Australians will have to spend hundreds of dollars in out-of-pocket expenses before the government cares to chip in anything. Too many Australian families and individuals face a financial crisis every time they have to go to the doctor. These families cannot afford to spend $500 or $1,000 before they reach the safety net. That is why bulk-billing is so important. Patients can afford to see a doctor every time they need to if they are bulk-billed. Very few families will reach the new safety net thresholds just by visiting a GP. The other things that cause health care costs to mount—medicines, special foods, special equipment et cetera—are not included in the safety net. Most families who reach the safety net will do so because of visits to high charging specialists and diagnostic services.

I am sure other members of the Senate Select Committee on Medicare will go into great detail about this, but very interesting evidence was given to that committee, particularly from Professor John Deeble. His evidence explodes the underpinnings of the government’s arguments for their propositions. Professor Deeble said:

It is appalling to find a system which failed so disastrously over 30 years ago now being promoted as the answer to exactly the same problem. Medibank was designed to overcome the inequalities in the previous health system. What John Howard is seeking to do here is again take us
back to the fifties, take us back to the inequities that existed prior to the introduction of a universal health system in Medibank.

The Senate Select Committee on Medicare decided that the proposed safety nets should be rejected in their current form. In the committee’s view, the most viable alternative, which sidesteps many of the problems of the safety net, is to minimise the importance of safety nets through the provision of health care that is affordable in the first place. As the Mt Druitt Medical Practitioners Association put it:

A safety net is very much like the ambulance at the bottom of the cliff rather than the fence at the top.

The fence at the top can only be achieved through the restoration of a comprehensive health care system, primarily achieved through a commitment to bulk-billing and MBS fee adherence as a sound mechanism to deliver access and affordability.

In conclusion, the Labor Party will not support passage of the government’s legislation. We do not believe the safety net route that the government is taking is the appropriate one. People do not need a safety net once they have spent $500 or $1,000—they need a safety net every time they need to visit a doctor. Too many people have to find an additional $10 or $20 to pay the doctor that they just do not have. That is why the Labor Party puts the emphasis on restoring bulk-billing. Bulk-billing is the fundamental part of the system that provides the protection and the safety net to families to seek medical care based on their need, not on their income. Bulk-billing provides them with the ability to seek medical care when they need it without fear of the financial burden. The government is taking us away from that fundamental tenet of Medicare to a two-tiered system, a safety net based system which says they will help those who are struggling with the costs once they reach a situation where the costs are so exorbitant that they cannot cope any more. That is not the sort of approach that the Labor Party recommends or advocates. Minister Abbott is walking away from ever recognising that the Medicare schedule fee must reflect doctors’ costs. His safety net proposal says to doctors, ‘If you want more income, you’ll have to take it from your patients’ pockets; but don’t feel too bad about it because there’s a safety net.’ It places the wrong signals in the system. With this uncapped, inflationary measure the Howard government is walking away from a responsible long-term approach to health care policy.

There is a fundamental difference in Australian politics between the government and the opposition over health care. That will have to be argued out in the community. I thought that was an argument that had been won when John Howard walked away from his criticism of Medicare and his opposition to a universal health system. What we are seeing here is John Howard again seeking to fulfil his promise of 20 years ago to dismantle Medicare. This is one of the steps taken in order to return us to a two-tiered system of health care in this country. It is one that undermines the universality that Medicare has provided: the protection for all Australians, regardless of their income, to be able to access good quality health care. It is a fundamental issue; it is a fundamental signal of a civil society that such access is ensured for all Australian citizens. The Labor Party will continue to fight for that. This is a key plank to ensure a just and fair Australian society. The government’s proposition takes us down the wrong path. It takes us away from ensuring universal access to health care based on need. We will oppose it.

Senator NETTLE (New South Wales) (10.32 a.m.)—I move the second reading amendment standing in my name:
At the end of the motion, add “but the Senate:

(a) condemns the Government’s attempt to undermine the principle of universality that underpins Medicare and for its policy of privatising health care in Australia, including the Private Health Insurance Rebate, which should be abolished and the funds directed to public health care; and

(b) calls on the Government to establish an independent inquiry into the rebate and the Lifetime Health Cover policy, as recommended by the Select Committee on Medicare”.

Senator ALLISON (Victoria) (10.33 a.m.)—I rise to speak on the Health Legislation Amendment (Medicare) Bill 2003. The Senate inquiry has been extremely useful in distilling the main problems of the MedicarePlus package and in showing the inadequacy of what we have now. There is no doubt about it—everyone would agree that Medicare has problems. That is because the agreement between doctors and the government about what the appropriate fees should be—of which 85 per cent is then payable by the government for the patient—has broken down. This is the reason that the government is asking for a safety net in this bill—because successive governments have failed in the compact with doctors to set fees to which doctors will adhere. The government senators, in their dissenting report, said:

Out-of-pocket expenses incurred for out-of-hospital services can be financially crippling, especially when the services required are extensive, on-going and intense. Often they are unforeseen, due to accidents or the sudden onset of serious illness.

This is an extraordinary admission of failure on the part of the government. There should be no need for Australians to suffer crippling costs. The whole point of Medicare is to ensure that Australians are insured against crippling costs. That is what Medicare was devised for and what we, as taxpayers, contribute to through the tax system.

Medicare is a public insurance system that is most fair because you pay for your insurance through the tax system according to your capacity to pay. When you retire and you are on a lower income, you pay less but you get the same quality of care, if you need it, as if you were wealthier. When you become unemployed, you do not need to worry about facing health insurance payments, because your fellow Australians who are employed are contributing to the insurance pool. That is what solidarity and Australians pulling together is all about.

But Medicare is not working well. The Department of Health and Ageing in their submission said that, compared to when Medicare was introduced, contributions by patients to GPs’ fees have risen by 65 per cent in real terms. Patient contributions to specialists’ fees have risen by an enormous 310 per cent. What this means is that increasingly doctors are not agreeing to charge at a level that is worked out by government and are choosing what they think the market will bear.

Labor has focused its attention largely on bulk-billing. For the purposes of primary care this is indeed a significant factor. Prevention, early intervention and seeing a doctor for check-ups are increasingly seen as important in our fight against the 21st century diseases: the chronic and so-called lifestyle illnesses. For instance, epidemiologists estimate that 50 per cent of all diabetics in Australia do not know that they are diabetic. And when they first attend a doctor, it is usually when their disease is further advanced, making it much harder to treat, with worse health outcomes. If people are put off from going to see the doctor about a changing mole on their skin or feeling tired, because they do not want to spend $30 from the
household budget on a two-minute consultation, then we are losing the preventive battle. If anything, we want more proactive medical intervention, which has to mean an open-door policy that does not bring finances into the equation.

However, there are lots of people who will accept that they should pay something, particularly for high-quality expertise such as that provided by specialists and GPs who are prepared to spend quality time with their patients. To focus only on bulk-billing misses the point that Medicare was trying to achieve two things: to keep prices low and free of charge at consultation for many and to keep costs limited and affordable for others. The crisis is not just in bulk-billing but in what those people who are not bulk-billed have to pay. Some people who would willingly pay a small amount are increasingly not having that option. The amount that they pay will be significant. Even if bulk-billing rates were restored to the highest level of 81 per cent, these are the people who will miss out.

At the public hearing we heard the Department of Health and Ageing admit that the schedule fee is increasingly irrelevant. When Medicare was introduced, only 21 per cent of specialist services were bulk-billed but a further half of all specialist services charged the schedule fee. That means that, at the beginning, specialists agreed to the principle underpinning the public insurance system, which meant that patients’ costs were limited and affordable such that for three-quarters of specialist services the schedule fee or bulk-billing was adhered to. This very clearly and perhaps irrevocably has broken down. Now we have 27 per cent of specialist services bulk-billed, more than was the case at Medicare’s inception but only a further 14 per cent of services charge the schedule fee. That is, 20 years down the track less than half of all services are charged according to the Medicare agreement. That is why we need a safety net. That is why the government can legitimately argue that people could face crippling costs.

Why has this agreement broken down? I qualify the following by emphasising that the focus of the inquiry was on GP fees. We heard very little from specialists and to some extent what is very clear now is that specialists and new technologies make up one-third of government expenditures on rebates, and that is in need of greater scrutiny. It is their fees that are spiralling out of control, it is their fees that will be likely to be captured in the new safety nets.

Returning to the GP issues, arguments were advanced by some economists who provided submissions to the inquiry that it is a question of competition—the more doctors you have in an area the lower their fees will be. That is the free market argument suggesting that because doctors operate in the small business model they are sensitive to prices and their patients will shop around for the lowest price. Other economists pointed to the erratic pattern of bulk-billing, suggesting that doctors in higher socioeconomic areas will charge their patients more because they know those patients can afford it.

Further evidence to the inquiry suggested that much of doctors’ billing patterns is attitudinal. That is, some doctors are intractably opposed to the concept of so-called free consultations, and charge according to their view of how much individuals can pay, and the value the doctor places on their own work. Other submissions pointed to the disgruntlement doctors feel when comparing their remuneration to either other professions or their specialist colleagues. They feel they are missing out.

The relative value study appears to have been a key strategic mistake on this government’s part—it raised doctors’ expectations
that their remuneration from government would increase dramatically because it proposed substantial increases in the government endorsed and funded schedule fee. As a result of their dissatisfaction when the government did not raise their fees, many doctors changed their adherence to the lower schedule fee and started charging the AMA suggested fee. As the inquiry concluded, perhaps all of these factors have contributed to doctors charging more. The question is, what has the government done about it to get Medicare back on track?

It has put in place measures to increase the GP work force which, if the assumptions about fees being driven by competition are right, should lead to fee constraint. It has introduced a $5 rebate for services to some groups of patients, many of whom are already bulk-billed, to halt the decline of bulk-billing for these groups. It has introduced a safety net that will reimburse those who first must pay $500 or $1,000 in one year. But it has not tackled the fundamental issue about how you come to an agreement with the medical profession about a sensible remuneration model that means the government and taxpayer have some certainty about what is charged and that does not lead to spiralling costs.

It is an interesting argument that the government runs, that it is taking a proactive role in scrutinising private health insurance fees and making these operate more efficiently on the grounds of a 30 per cent stake through the private health insurance rebate, but that it cannot intervene in the medical services market where it still has a very significant $8.6 billion investment. Of course we know the arguments about constitutional constraint of civil conscription of doctors, and I am not suggesting that we prescribe a fee that doctors must charge. However, there are real issues about the extent to which doctors who receive considerable remuneration through the schedule fee rebate should remain outside the legitimate purview of government. For example, the original design of the bulk-billing incentive was remarkably successful in limiting fees. I am sure that creative health economists would be able to design new incentive structures and remuneration alternatives that would meet the principles of patient and government affordability without compromising doctor remuneration and clinical autonomy.

I am sympathetic to the government’s argument that consumer expectations, increased household wealth and new technologies leave the government susceptible to an ever-burgeoning health budget. But governments of both persuasions have responded to that over the past two decades by limiting their relative contribution to medical services. If you look at the Medicare data, you see that in 1984-85 the total amount the government contributed for all Medicare fees—that is, GPs, specialists, X-rays, blood tests et cetera—was 90 per cent of the total fees charged. That is, overall, patients only had to contribute to doctors a copayment of 10 per cent of total fees. This is because a lot of doctors accepted 85 per cent of the schedule fee so that patients did not have to pay a gap and many doctors adhered to the schedule fee.

However, that figure of 90 per cent was never reached again—there has been a slow but steady decline in the government’s contribution to all Medicare fees since then. This applies to both Labor and Liberal governments. And we are now left with government paying only 79 per cent of Medicare’s fees. That is, across the whole system patients are now contributing twice the proportion of all fees, as well as paying through taxes.

But the market mechanism of allowing price signals to determine and limit consumer behaviour works poorly for health.
Professor Richardson in the early nineties found that increased up-front costs for health care do not deter people from getting care, but that the care not sought was as equally likely to be for serious conditions that required treatment as the frivolous reasons that pure economic theory would have us believe would not be paid for. Obviously health does not operate as a market, which is exactly why strong government intervention continues to be necessary. The Democrats believe that the government’s broad approach to shifting costs to patients and providing a signal to doctors that they can charge whatever the market will bear is poor and unsustainable policy.

I turn now to the safety net. The Democrats have indicated that, until the government gives serious attention to the issue of fees containment, there is a need for an improved safety net. The evidence at the inquiry was that the parameters of the proposed safety net are clumsy, administratively complex and expensive to administer. Eligibility criteria for the proposed different thresholds are unlikely to be anything other than a blunt instrument with inequities created between groups in terms of the costs they face. And, of course, wherever boundaries are created that mean some groups benefit while others do not there is the potential for community divisiveness.

The Ombudsman provided evidence that the use of the family tax benefit receipt as eligibility criteria is fraught with difficulties in a payment system that already generates many complaints. This was persuasive in suggesting that the government still has not got this right. However, I also accept that the proposed safety net, with all its flaws, will be of greater benefit to many people than the existing safety net—at least in the short term. The key problem in supporting its passage in its present form is whether the community and government consider the task completed.

The Democrats say that MedicarePlus will not fix patients’ access to bulk-billing and small copayments, and it will not send a message to GPs and specialists to rein in their fees.

Senator MARSHALL (Victoria) (10.47 a.m.)—I rise today to speak on the Health Legislation Amendment (Medicare) Bill 2003. While this individual bill implements aspects of the government’s Medicare agenda, it does not implement the whole thing. As we know, the government was forced into rethinking its approach to Medicare following the flop of its A Fairer Medicare package under former Health Minister Patterson last year. Since then, Mr Abbott has been appointed to the portfolio. He made sweeping changes to the A Fairer Medicare package and, subsequently, we are left with a legislative and regulatory package that is piecemeal and all over the place.

Our country has had a proud, egalitarian reputation. Our ‘fair go for all’ philosophy and historical commitment to the provision of social services to all, regardless of class or wealth, are admired worldwide. Universal access to Medicare and bulk-billing GP services have been essential ingredients in fostering this sense of egalitarianism. Medicare is one of this country’s greatest achievements—a Labor achievement. Since its 1984 establishment the system has remained well regarded by the Australian public. Any attempt by governments or oppositions to wind back or alter the nature of the Medicare system has been resoundingly rejected by the Australian public, and for good reason.

Australians recognise that our health system—the Medicare system—is world class and worth protecting. Australians are rightly frightened by international health systems, including the American system, that are inherently user pays and lead to millions of citizens being locked out of access to health
care because they do not have the money to pay for it. This is not the kind of society Australians want. Australians want a health system where everybody has equal access to doctors and primary health care. Australians want to know that, if they fall ill, they will be able to see a doctor. For many millions of Americans, this is simply not an option. Australians want to use their Medicare cards to access health care; they do not want to use credit cards or massive wads of cash to pay their way through the system.

Unfortunately though, Prime Minister Howard does not seem to share this view. John Howard and the Liberal Party have never been committed to Medicare. They have never been committed to any kind of health system in which all Australians are granted universal access to bulk-billing GP services. It just goes against the grain in both cases. As Treasurer in the Fraser government, Mr Howard played his part in destroying Medibank, the first universal health care system set up by the Whitlam government. In the 1980s, as opposition leader, Mr Howard let loose about his thoughts on Bob Hawke’s reconstructed Medicare. He labelled it ‘a miserable cruel fraud’, ‘a scandal’, ‘a total and complete failure’, ‘a quagmire’, ‘a total disaster’, ‘a financial monster’ and ‘a human nightmare’. Mr Howard threatened to pull Medicare right apart and to get rid of the bulk-billing system. Bulk-billing, Mr Howard said, was an ‘absolute rort’.

Given Mr Howard’s attitude towards Medicare and the bulk-billing system, it comes as no surprise to anyone that eight years into his term of government the current situation facing Medicare and bulk-billing is dire. The Howard government of 2004 is delivering upon the Howard opposition’s threats of the 1980s and is trying to emulate the feats of the Fraser government with respect to Medibank. Either way one looks at it, the Prime Minister has it in for Medicare and bulk-billing and he will do all that he can to destroy both systems.

Over the past few years in particular, the Howard government has presided over a national bulk-billing rate that has been in free fall. Has it acted to rectify this situation? No, it has not. Why is this? Because, as Tony Abbott argues, bulk-billing is an issue between doctors and patients, and the government will not come between that relationship. In short, he refuses to act. He would like to have us believe that there is nothing his government or any government could do to rectify the situation facing bulk-billing, but we know that is a furphy.

The Commonwealth government is in a prime position to influence the national rate of bulk-billing because it has the means to make bulk-billing an attractive service for GPs to provide to their patients, if it so wishes. Issues and problems arise when political will is needed to make this happen— and this is particularly true for the Howard government as constantly deteriorating bulk-billing figures can testify. The fact is, under the Howard government, no strategy to address ailing bulk-billing rates has been implemented at all. John Howard, his health ministers and his wider government have been all too happy to sit back and allow for and facilitate the slow disintegration of Medicare and the bulk-billing system. Bulk-billing is being killed by stealth and attrition, and it is no accident.

As it is, the national bulk-billing rate has fallen by over 13 per cent since John Howard’s conservative government came to office in 1996. In my home state of Victoria the bulk-billing rate is now down to 60-odd per cent. In the federal electorate of Indi, also in my home state of Victoria, the level of bulk-billing is now a paltry 29.3 per cent of all GP consultations. These are totally unacceptable figures and, worse, the latter would suggest
that not even all concession card holders are being bulk-billed in the federal electorate of Indi. What sort of system has this been allowed to become? Patently, it is a hopelessly deficient one.

Hand-in-hand with the experience of free-falling bulk-billing rates, patients accessing GP consultations outside public hospitals have experienced a steady incline in the level of out-of-pocket costs. In the past three years alone, out-of-pocket expenses for a visit to the doctor have risen by more than 23 per cent. Of considerable concern also is the fact that the national level of GP visitation has dropped dramatically over the past year. Last year, 1.75 million fewer GP consultations were recorded than in the year before. This represents the first time since 1995 that the number of GP visitations in a calendar year has dropped below 100 million. Far too many Australians are being forced to decide whether they can financially afford to seek medical treatment when they fall ill. As the figures suggest, many Australians are simply not going to the doctor when otherwise—and in the past—they would. Many are ending up in our already overcrowded public hospital emergency departments seeking treatment. This is not the sign of a healthy country or a health system under control. The system is falling apart and, in the process, so too is the primary health care of the Australian people.

There is little doubt that Medicare needs fixing. The current situation facing the system is dire and it is stuck in a downward spiral. Something must address the draconian rates of bulk-billing within our communities. But the question is: is the package being put forward by the government the right package, and will it do anything to rectify the current situation? The short answer, I believe, is no. This package is heavily flawed and it will do more to harm the system than it will to address any of the serious problems plaguing it. Under the Howard government’s MedicareMinus package, Medicare will become Medicare minus its heart and soul. It will become Medicare minus the universality of bulk-billing.

Under the plan, GPs will be paid an additional $5 for every consultation of a concession card holder or child under 16 years who is bulk-billed. Importantly, while this group receives the $5 bonus payment, no other group does. This $5 bonus payment for only certain groups of Australians will do nothing to boost the national bulk-billing rate. Even the government’s own documents say that MedicareMinus will cause the bulk-billing rate to fall further. It is clear that this provision is simply ideologically motivated to bring about the destruction of the universality of bulk-billing. On top of the $5 additional payment, another incentive payment of up to $20,000 will be made available to GPs who bulk-bill concession card holders. This provision is not contingent upon a doctor bulk-billing a certain percentage of the whole population but only on a doctor bulk-billing concession card holders and children under 16.

If this is not enough, another incentive is being offered to bring about the swift destruction of universal bulk-billing and introduce the Americanisation of our primary health care system. On top of the $20,000 incentive payment, doctors will be able to charge Medicare directly for other non-concessional patients and charge them fees on top of that. This practice is currently outlawed and for good reason. It will encourage the charging of higher out-of-pocket costs to millions of Australian patients. The historic universal nature of the bulk-billing system will be no more, and patients will continue to pay ever-increasing out-of-pocket costs. As the first report of the Senate Select Committee on Medicare states:

At a philosophical level, the government package amounts to a decisive step away from the princi-
ple of universality that has underpinned Medicare since its inception. The Committee does not accept the government’s argument that, because everyone continues to be eligible to be bulk-billed and receives the same rebate, universality is preserved. This argument is disingenuous and ignores the reality of the incentive system the government seeks to put in place. In practice, a GP will receive more public money to treat a concession card holder than they will for treating a non-concessional patient.

At a practical level, the policy is focused on ‘guaranteeing’ bulk-billing of concessional patients in a way that is quite simply unnecessary, since the majority of these people are in all likelihood already bulk-billed … the package essentially focuses on a solution to a problem that does not exist.

As Dr Tait submitted to the committee:
By only focussing on Medicare as a safety net for Health Care Card holders the government will set up a three tier health system: those who are recognised as ‘poor’ and needy, those who are the unacknowledged ‘poor’ who will miss out the most and those who can afford to pay for what they want.

Medicare is not and has never been a safety net available only to those who cannot afford to pay for their own health care. Medicare was designed to be and has always been everyone’s health care safety net. Speaking of safety nets, the safety nets that are to be enshrined in this package are also an unnecessary component if what existed was an adequate system providing all Australians with access to adequately funded bulk-billing GP consultations. Under the plan, three new safety nets will be implemented to cover 80 per cent of the out-of-pocket costs incurred for out-of-hospital Medicare services above a specified threshold in a calendar year. For people with concessional benefits the threshold will kick in at $500. For family tax benefit A recipients the threshold will also kick in at $500. For all other families and individuals the threshold will kick in at $1,000.

There are already two so-called safety net arrangements in place to protect Australians who have high out-of-hospital, out-of-pocket expenses. This measure recognises that out-of-pocket expenses are bound to rise for patients in the future and it also gives the green light to doctors to charge patients higher fees, because they are assured that the government will pick up 80 per cent of costs above the two thresholds starting at $500. The effect of this bureaucratic nightmare of a provision will be to divide the community yet again and to move away from a non-means tested system. It is totally unacceptable to Labor.

The government’s policies do very little to address areas of work force shortage. Since the Howard government came to office, over $6 billion has been cut from the higher education system, severely disadvantaging the future pool of Australian medical professionals. Today we are seeing the effects of this neglect and funding regression. On top of this neglect, the recent changes to the higher education system will see degrees in the broad areas of the health and medical sciences priced beyond the reach of many. The policy before us now fails to deliver adequate resources to the training and support of new GPs and nurses and to deliver GPs and nurses to areas of work force shortage. The measures announced are fixing a problem of the Howard government’s own making. Of course all measures to increase training opportunities are welcome, but those foreshadowed in the current proposals do not go far enough. In fact, many of the announcements made in relation to these policies have been rehashed from previous budget announcements and promises. There are also other problems. According to the first report of the Senate Select Committee on Medicare:
It must also be noted that on early indications, the system by which the government is distributing the bonded places to various universities appears
to be having inequitable results, with some universities actually losing non-bonded HECS places. According to the Department of Health and Ageing, the University of Sydney will offer 27 bonded places in 2004, but will lose 23 standard HECS places, over its 2002 enrolment while Monash University which enrolled 138 standard places in 2002 will only offer 128 in 2004.

It is therefore difficult to be confident that any of the promises and announcements made by the government in relation to additional university or training places as part of the Medicare package will be promises delivered upon.

In stark contrast to the packages being put forth by the government, Labor’s policy to address the eight years of Howard government neglect of Medicare is fair and equitable, is a long-term plan and not a short-sighted political fix and will have a significant impact on the terribly low bulk-billing figures we witness quarter after quarter at the moment. Labor’s plan would raise the Medicare rebate for the bulk-billing of all patients, not only concession card holders and children under 16, as the government would have it. Labor’s policy would raise the patient rebate progressively and would, by 2006-07, reach 100 per cent of the schedule fee. This measure will encourage those GPs who already bulk-bill to continue to bulk-bill all patients and it will encourage those who no longer bulk-bill to recommit to the service. Labor will pay targeted incentive payments to doctors who meet certain bulk-billing ratios. Sums of up to $22,500 will be made available on an annual basis to encourage GPs to bulk-bill all of their patients. Labor’s plan will introduce the use of 100 new Medicare teams of two doctors and a nurse, which will be deployed to identified health hotspots around the country and would be co-located with public hospitals, in turn offering people bulk-billing services they otherwise would not have access to and relieving some of the pressures from our public hospital emergency departments. As part of Labor’s education policy, 1,404 extra bonded medical places and 4,225 new nursing places will be made available. Labor will also offer cash incentives to encourage GPs to move into identified areas which lack GPs or bulk-billing services. Labor believes that everybody, regardless of their wealth or where they live, should have access to bulk-billed GP consultations.

Earlier this year, Labor leader Mark Latham announced that a new federal Labor government will invest $300 million over four years to resurrect, in partnership with the states and territories, a national dental health scheme, like that abolished by the Howard government in 1996. Under Labor’s plan, concession card holders and their dependents will gain access to free dental check ups when they are needed, as well as subsidised dental treatments, restorations and dentures. This package will provide Australians with up to 1.3 million extra dental procedures and will clear the existing backlog and significantly reduce waiting lists. Further announcements in relation to Labor’s plan for a healthy Australia and a stable and fair health system are likely over the coming year.

This government’s Medicare proposal is an outright attack on the universal system Australians have come to depend upon and want protected. There are two certainties about the government’s proposals: bulk-billing rates will continue to decline while out-of-pocket expenses will continue to rise. According to the findings of a study undertaken by the Australian Institute of Primary Care, which was commissioned by the Senate Medicare committee to analyse the potential inflationary effects of the government’s package, bulk-billing levels under this package are expected to fall to approximately 50 per cent of all GP services and
out-of-pocket costs will rise by 56 per cent. There is absolutely no doubt about it. It is what the government is striving for. This government, under a Prime Minister who is an out-and-out opponent of the universal nature of Medicare and bulk-billing, is doing just what was promised when Mr Howard was in opposition in the 1980s. This policy is doing more than taking a scalpel to Medicare; it will indeed pull Medicare right apart and it will get rid of the bulk-billing system, just as John Howard promised. Australians do not want Medicare to turn into an Americanised health system where user pays is the name of the game. Australians want to use their Medicare cards to access bulk-billing GP consultations. They do not want to use credit cards or go without primary health care because they cannot afford it. Such a policy is un-Australian and it cannot and should not be tolerated.

Senator FORSHAW (New South Wales) (11.06 a.m.)—The Australian people know which political party supports Medicare and which political parties do not. There is a long history on the record of support for Medicare by the Australian Labor Party. There is an equally long history on the record of opposition to Medicare by the Liberal and National parties. That history has been well documented and repeated in many debates in this chamber, so I do not need to go over it in detail.

However, people recall that it was the Labor government that introduced the original Medibank when the Whitlam government was in office between 1972 and 1975. They recall that it was the Fraser government—of which the current Prime Minister, Mr Howard, was a senior member—that abolished Medibank after 1975. They recall that it was the Hawke Labor government that restored the principle of universal health coverage for all Australians when it introduced Medicare. They recall that throughout those years of the Labor government one thing about Mr Howard was consistent—that is, he consistently opposed Medicare. He railed against it. He condemned it. We all recall the comments: he called it a ‘rort’; he said he would dismantle it when he came to office. Throughout that period another thing was consistent—that is, the continuing support of the Australian population for the maintenance of Medicare, so much so that each time the coalition parties put their position on the record at an election time—and I recall particularly that in 1993 they said they would abolish Medicare—the Australian people rejected them.

It was only when Mr Howard saw the political light, that to continue to oppose Medicare publicly would cause them to continue to be rejected by the Australian people, that their political fortunes changed. Mr Howard, we recall, in 1996 promised to maintain Medicare lock, stock and barrel. We were told in 1996 that no Australian would be worse off under the Howard government. Of course, many Australians are worse off today under this government, particularly in the area of health care. Many Australians who were able to find a bulk-billing doctor in 1996 today cannot access a bulk-billing doctor in their suburb or town. The concept of universal access to bulk-billing doctors has all but disappeared. The rate of bulk-billing has declined from over 80 per cent at the time the Howard government came to office to around 60 per cent today. In some parts of Australia—particularly in towns and cities in rural and regional Australia—people cannot find a doctor who will bulk-bill. In some cases they are lucky to even find a doctor because doctors, particularly GPs, have increasingly been leaving the profession.

Why has this happened? It has happened because while this government professes to support Medicare, it does nothing to enhance it, does nothing to encourage doctors to bulk-bill and does nothing to encourage doctors to
continue to support a universal health care system. When Medicare came in—indeed, before that when Medibank came in—the medical profession were opposed to it. They did not like it. They campaigned against it.

Senator McGauran—Is that your measure of a professional—approval or disapproval?

Senator FORSHAW—I can recall going to medical surgeries, as I am sure Senator McGauran can, where the doctors even had signs on their walls saying, ‘This is not a bulk-billing practice. We encourage you to take out private health insurance.’ Eventually the medical profession came to accept that Medicare was here to stay. That is essentially the reason why bulk-billing rates increased. There was a government in power, under Bob Hawke and then Paul Keating, that was committed to Medicare and made sure that the medical profession and the Australian people understood that, so eventually the medical profession accepted its inevitability. But as costs have spiralled, particularly in the area of specialists, this government has sat back and let it all happen. It has shifted its focus from trying to ensure Medicare remained vibrant, healthy and the pillar of our universal health system to promoting private health insurance. So we have seen more Australians in effect being left behind when it comes to the ability to access Medicare through bulk-billing.

As we know, there are two key features of the package that is before this parliament. One of those requires legislative passage in order to bring it into effect—that is, the safety net proposal. I will come to that later in my speech. The other key aspect of this so-called MedicarePlus package is the increase of $5 in the rebate for doctors who bulk-bill particular patients. I want to deal with that area first. The previous package this government brought before the parliament was called the A Fairer Medicare package. That package was examined last year by the Senate Select Committee on Medicare. You, Madam Acting Deputy President McLucas, as chair of that committee—and I congratulate you on the excellent job you did—will well recall that there was widespread opposition to the government’s so-called A Fairer Medicare package. It was not fair and it did nothing to address the real problems with Medicare that this government have allowed to occur. They put up a proposal in that package to pay doctors an additional amount—in some cases it was as little as $1 extra per patient—where they bulk-billed. That proposal was so insignificant and inconsequential that it was rejected by the medical profession and rejected by all other interested bodies and persons involved in health care.

Following the committee’s report, the government withdrew that proposal. They have now come back with this new proposal of MedicarePlus. Under MedicarePlus the government propose to pay an additional $5 to doctors who bulk-bill patients who are either concession card holders or under 16 years of age. They have singled out two groups within society and said to doctors, ‘If you bulk-bill people in those two groups, instead of receiving the normal 85 per cent rebate of the schedule fee you will receive that amount plus $5. If you continue to bulk-bill all the other patients that you previously bulk-billed, you will get the same as you got before—the Medicare rebate.

That is an improvement on the previous offer, but the distinction is that this proposal does not apply to all patients who are bulk-billed. For the first time in the history of Medicare, the government is introducing a differential level of rebate or differential level of payment, if you want to be more correct because the bulk-billing payment goes to the doctor. That undermines the uni-
versality of Medicare and no amount of argument or sophistry from government senators about whether or not Medicare was ever intended to apply to 100 per cent of Australians refute the proposition that this proposal undermines the universality of Medicare—it does. Prior to this proposal being implemented with respect to any Australian who was bulk-billed the doctor received the same payment.

Senator McGauran—Rich or poor.

Senator FORSHAW—Senator McGauran, the principle of Medicare, as you know, is that a Medicare levy is made on all Australians through the tax system and it recognises that people pay according to their means. But everybody should be entitled to equality of access in terms of their health care. For instance, why should it be the case that, when a mother in a family on a low income goes to the doctor and takes her child with her, the doctor receives a higher payment for treating the child than he does for treating the mother? Why introduce that element of discrimination? How can you believe that the government’s proposal is equitable where a doctor will receive a higher payment for treating children from a family on a very high income, yet that will not apply to a family on a low income where a child may be over 16 years of age? It is a nonsensical proposition which discriminates amongst Australians—something that we have never had under Medicare or Medibank. It discriminates against people on the basis of their income or their age. I will quote the evidence very briefly, because I could not put it any better than the way it was put by some witnesses in the inquiry. The Australian Council of Social Services said:

The objection to the proposal lies with the continuing attempt to divide patients into two groups—those who are expected to make a copayment and those who are expected to get a ‘free’ service. This approach undermines both the concept of the universal health care system and the practice of a fair approach to meeting the costs of illness based on need.

Catholic Health Australia commented:

Only concession card holders and young children are the targets for bulkbilling. In other words the Government is content that nearly half of all GP patients can hold little hope of being bulkbilled.

Many other witnesses, such as the National Rural Health Alliance, UnitingCare and the Australian Consumers Association make similar comments. The Australian Consumers Association said:

We are giving up the universality of Medicare. That is what universality is. It is not about 100 per cent bulk-billing; it is about the promise that when people go to a doctor they will be treated equally based on what they clinically need rather than on what their income is.

So when the government say that nothing, in terms of the principles of Medicare, is undermined here, they are simply not telling the truth. I move on to the other aspect which is before the parliament under this bill—that is, the safety net. As has been explained, the safety net proposal is to establish two thresholds. Where a concession card holder or a family in receipt of family tax benefit A has out-of-pocket costs, representing gap costs between the rebate and the schedule fee that amount to more than $500 a year, 80 per cent of those extra costs will be reimbursed. For all others, the threshold rises to $1,000.

The government’s argument essentially comes down to this: ‘We recognise there’s a problem with people having increasing out-of-pocket costs, particularly, as we know, through specialist treatment, and we’re going to bung in another safety net to try and help some Australians meet those costs.’ Their proposal, of course, ignores the fact that there already are existing safety net schemes in Medicare. It ignores the fact that many Australians who would be in a similar situa-
tion with high out-of-pocket medical costs would never qualify for that $500 threshold because they do not fit into the category of concession card holder or receive family tax benefit A. It also ignores the fact that this proposal adds a further layer of complexity and a further layer of discrimination between Australians. It is essentially a flawed safety net scheme.

What does the government then say? It says—I heard Senator Humphries say this, and he may well say it again in this debate—‘Look, it’s better to have a flawed scheme than to have no scheme at all.’ Frankly, that is an absolutely disgraceful cop-out. It is like the old joke where the doctor says to the patient, ‘I’m sorry we amputated the wrong leg, but the good news is the other one’s getting better.’ As stated in this report, one of the witnesses said that it is like having the ambulance at the bottom of the cliff rather than at the fence at the top. What this government should have done was to sit down and consult the health groups—not just relied upon the AMA’s support—and fix the issues relating to increasing costs for out-of-pocket expenses, particularly in the specialist area, and rework the existing safety net scheme to ensure that it properly addressed the issues of high out-of-pocket costs.

There are another couple of points that should be made because what the government is trying to do here is run a scare campaign. It is trying to say, ‘Look, by opposing the safety net proposal, Labor is really denying chronically ill Australians the opportunity to have some of their costs or all of their costs met.’ I even heard Senator Knowles say that some of the costs that people incur in this regard relate to physiotherapy after being involved in a serious accident. It is true: if you have to have constant physiotherapy treatment, your costs will be exceedingly high. The problem is that Senator Knowles got it wrong; physiotherapy costs are not covered by this proposal. Physiotherapy is not a Medicare item; it is covered by private health insurance, if you have private health insurance.

That then leads me to my other point: this is an inequitable proposal. It has two thresholds that again discriminate between Australians over health care. But when you look at the current private health insurance subsidy of 30 per cent that this government introduced—which currently costs $2.4 billion a year and is rising—you find that it applies to all Australians equally. This government’s approach, when it comes to providing a subsidy to private health insurance, is to treat all Australians equally. If you have private health insurance, you get a 30 per cent subsidy on the cost of your health insurance. It does not break people up into categories of young and old, concession card holders and people on family tax benefits or other Centrelink payments and say, ‘Some of you will get 30 per cent, some of you might get 15 per cent and some of you might get nothing.’ No, all people are treated equitably. But when it comes to this Medicare safety net proposal, that principle goes right out the window. Why? Because it is again about undermining the fundamentals of the Medicare system—creating two tiers of patients in this country. This proposal should be rejected and the government should go back and fix the problem. (Time expired)

Senator STEPHENS (New South Wales) (11.26 a.m.)—Yesterday when we were discussing the tabled report of the inquiry into the Health Legislation Amendment (Medicare) Bill 2003 I addressed most of my comments to the work force issues and I would like to continue in that vein today. It has been very adequately put this morning that there are both philosophical and practical concerns about the proposals in this bill, and certainly Senator Forshaw and Senator Marshall have quite clearly articulated all of
that. But the critical issue that we need to understand is that what we create in this bill is a two-tiered system that moves right away from the fact that Medicare was established to ensure that clinical need rather than personal financial circumstances should determine your ability to access appropriate services. That principle goes by the way with the proposals in this legislation.

As I said, I really want to address my concerns and my remarks to the workforce change issues and the proposals that are outlined in chapter 4 of the report entitled MedicarePlus: the future for Medicare? The A Fairer Medicare package provided for 234 new medical school places bonded to areas of workforce shortage, plus 150 new GP registrar training places, plus funding for 457 full-time equivalent practice nurses. The MedicarePlus package adds funding for an additional 1,500 full-time equivalent doctors and 1,600 full-time equivalent nurses over the period 2003-07 and the welcome creation of a new Medicare item number to enable a rebate for practice nurses who are undertaking immunisation and wound management, which of course will be in addition to the grant of $8,000 per full-time equivalent GP in a practice to support the employment of practice nurses in urban areas of workforce shortage, which I will come back to. It also includes the introduction of some short-term placements for training medical practitioners in outer metropolitan, regional, rural and remote areas in an attempt to address the current supply shortage. It includes some incentives for non-vocational registered doctors to practice in the areas of medical shortage for a period of five years and there is some funding to increase the number of overseas trained doctors directed to areas of workforce need.

The bonded medical places from the previous package remain. I am pleased to see that the original recommendation from the committee’s first Medicare inquiry which suggested that students willing to undertake postgraduate vocational training in rural areas should be able to attribute the period spent there against their bond term—a sensible recommendation—has been taken up by the government in this new package. Otherwise, the additional undergraduate and postgraduate training places for GPs as well as training places for nurses and allied health workers from the original package remain.

I would like to consider the implications of the proposals and the practical response we have heard from the doctors associations, the universities and other health care professionals regarding how well the proposals address our concerns about access to health services, particularly in the regions. The uncontroversial elements of the package were: the concept of training more doctors and nurses in Australia, increasing access to aged care facilities, helping ex-doctors return to the medical workforce and assisting overseas trained doctors to assimilate smoothly and productively into the Australian workforce.

The concern that I did not see addressed by the Department of Health and Ageing during the inquiry was how we are going to be able to recruit 1,500 new overseas trained doctors. We heard from several important witnesses about how problematic that solution will be. There are difficulties in evaluating the quality of overseas qualifications and prior postgraduate learning and vocational training. There is concern that we are going to be drawing overseas trained doctors from a world pool and that we are not providing incentives that will overrule the incentives that are being provided in EU countries, in particular. We have the worldwide phenomenon that overseas trained doctors are sent to areas of need—most commonly rural and remote areas—where they remain isolated from the support structures for people from
non-English speaking backgrounds. Rural and remote communities have far less experience and understanding of the special support needs of international graduates and less capacity to respond, even if those needs are understood. If the policy of placing overseas trained doctors in areas of need continues, it has to be accompanied by a commitment to support programs for them and the communities in which they will be living.

An important issue raised with the inquiry was the fact that EEC work practice legislation limiting hours of work and time on-call for doctors in Europe is leading to a huge demand for more medical practitioners there. So Australia will be competing for medical graduates in a world environment that is deficient in doctors. Increasing the number of medical students trained in Australia is the solution to the problem. We should be training and supporting our own doctors. The way to do that is to ensure that we have additional numbers of places for medical students and nurses in universities and colleges. Until we recognise that fact and start to integrate our health, economic and education and training systems, we are not going to be able to achieve that.

UnitingCare made an important point to us during the inquiry about the mathematics of this proposal. They put it this way in their submission:

The announcement of additional short-term supervised placements in regional and rural areas for junior doctors is positive. However, it will result in only an additional 70 full-time doctors every year, when it has been estimated that a total of 2,000 are needed.

The real message we heard from doctors organisations is that these additional equivalent full-time places, which are being promoted as the solution to the problems of overwork, the lack of locums and the impossibility of rural doctors being able to maintain their accreditation and undertake professional training because they have not got any replacement doctors, may alleviate the stress and the workload on doctors but they are not going to convert into additional full-time doctors out there in the bush. We have to understand the stresses and the pressures that are on rural and regional doctors, in particular. They cannot access support for a locum or someone to replace them so that they can undertake additional training or maintain their accreditation and may find themselves on call 24 hours a day, seven days a week. That is often the load on a country doctor, and it is the load we are going to be putting on overseas trained doctors who will be supported to go to country Australia.

This issue was also taken up by the Australian Health Care Reform Alliance. Their submission made the important point that more training places for general practitioners is a hollow initiative, given that the places currently available are not being filled, so unattractive is the prospect of entering general practice for many young doctors. The funding of additional training places will be a good idea, and indeed essential, once the basic underlying problems that are deterring doctors from entering general practice have been solved. We heard time and time again that the problem is not just doctors’ incomes or their circumstances—it is the whole pressure of the health system. We have all heard the Australian Health Care Reform Alliance’s agenda and seen their communiqué that came out of the national summit last year.

I have another concern about the impacts of this legislation on rural and regional communities. The provision of hospital facilities for the practice of procedural services has decreased. Doctors who are skilled in procedures are being forced out of procedural medicine. They no longer have access to hospital facilities in order to provide their procedural services. This is becoming much more commonplace in rural and regional
communities, particularly small commu-
nities. Many people who could have day sur-
gery or be treated by the GP in the GP's own
surgery now have to travel long distances
and be hospitalised for those procedures.

These are simple issues that seem to slip
through the net when considering rural
health care. There are real needs in rural
communities where health services are de-
clining. The issue for us is that doctors who
are skilled in procedures but who are de-
prived of access to a facility in which they
can perform those procedures in their com-
unity may leave that community in order to
be able to continue to practise those proce-
dures. Alternatively, because they are not
able to practise those procedures they lose
their accreditation to perform them. So we
are losing important procedures being per-
formed in the bush. I personally see the pro-
posal for practice nurses as one of the
strongest parts of this package, but the ca-
pacity for those practice nurses is restricted
to urban GPs. That does not actually take
into account the role that practice nurses can
play in rural communities as well. We have
many nurses working alongside community
practices in regional centres who deliver ex-
traordinary services far above and beyond
the call of duty. They are a linchpin in some
of those smaller practices, especially where
the doctor is under extraordinary stress in
caring for his patients and delivering quality
care.

The other issue that was not really recog-
nised in this package—and which was, im-
portantly, taken up with the committee—was
the changing dynamics of new doctors train-
ing and the emergence of many more female
GPs. Women are more likely to work part
time. We got the message very clearly
though that many young male doctors are
also expressing their intention to work fewer
hours in order to find some balance between
family and work. Young doctors are likely to
be supported by a partner who also is likely
to have a profession. We heard many sub-
missions from advocates of young doctors
telling us that the health system needs to take
into account the need to balance work and
family. This is just as important for the
medical profession as it is for any other. We
heard a very sensible solution being trialled
in Canada where doctors are salaried to area
health services. I think that model is worthy
of consideration here in Australia.

The final issue I want to talk to you about
today is the concerns the committee heard
about the dependence on overseas trained
doctors. We heard very strong evidence
about this. Associate Professor Hawthorn
provided the committee with a comprehen-
sive analysis of the issue. She stressed to us
the difficulties that overseas trained doctors
face when seeking permanent residency.
Many have significant problems qualifying
for work in Australia, primarily because of
the ban on OTDs applying under the skilled
migration program. This means that a decid-
edly different cohort of entrants arrive, with
applicants entering Australia through a gen-
eralised non-profession based criteria. So
they do not actually apply to enter Australia
as doctors; they apply in other ways, particu-
larly under general migration. They do not
have the proven competency in either Eng-
lish or medicine and they can find exams,
such as those from the Australian Medical
Council, a huge challenge. We heard that the
failure rates in these circumstances are extra-
ordinarily high.

The Australian Healthcare Association
told us:
While the recruitment of overseas doctors is a
good notion in principle, in practice Australia has
encountered major problems with recruiting over-
seas doctors. The problems include the high rate
of failure for the AMC test. Part 1 of the AMC is
an English comprehension and multiple choices
and Part 2 is a practical oral examination of pa-
patients and conditions. At present 2,000 doctors have passed Part 1 of the AMC but have not completed Part 2. Another 3,000 doctors have expressed interest in sitting Part 1 but have not yet felt confident to sit the exam. The AHA has said that overseas students may need extra assistance and training before sitting the exam, including spoken English practice.

What we have here is a really important issue: the dependence we have on the use of overseas trade doctors to resolve our current work force shortage. What is not recognised in the government’s acknowledgement of this issue is that many of these applicants for permanent residency are not precluded from practising without the relevant testing.

Professor Hawthorne told the committee that, due to demand-driven processes, substantial numbers of these OTDs had entered Australian practice prior to passing one or both of the AMC exams. It was extraordinary to hear this evidence and to have explained to us how that was able to happen. She told us that temporary resident OTDs are able to bypass the occupational English test and the AMC exams at the point of entry, proceeding immediately to medical practice. Quite significantly, she called for reform of OTD entry requirements, including the lifting of the ban relating to medically trained applicants within the skilled migration program and the adequate resourcing of professional transition training for both temporary and permanent OTDs.

The work force issues are an important part of the package. As you will note from yesterday, there is no recommendation in the report specifically relating to the work force issues, but they were a very important part of the consideration of the overall health system in Australia and they are important for us to consider in terms of our response to the legislation.

Senator KIRK (South Australia) (11.45 a.m.)—In her speech this morning to the Senate, Senator Knowles attacked the length of the speakers list for the *Health Legislation Amendment (Medicare) Bill 2003*. Senator Knowles seems to think that an end to universal health care in this country should not be a matter of concern to people in this house. I, like my Labor colleagues before me, am of a somewhat different persuasion on this issue. We believe that this bill fundamentally undermines the Medicare system as we know it—that is, Medicare as the foundation of universal health care in this country. This so-called MedicarePlus package in fact reduces Medicare to a residual rather than a universal model of health care.

Labor are unequivocal in our opposition to this bill. We argue that it is a package that goes to the core of what kind of society we want in Australia. Medicare, as a universal system, commits us to collective responsibility for the health of our nation through the taxation system. In essence, a universal health care system is about health care for those who need it, not just for those who can pay for it. The disgraceful decline of bulk-billing under this government has meant that health care for those who need it is fast becoming part of our history.

Last year my office in Kent Town in Adelaide, South Australia, sent out Labor’s Medicare survey to constituents in the Norwood area surrounding my electorate office. In the federal electorate of Sturt, where my office is located, bulk-billing has declined by 18.6 per cent in the past three years. In Norwood, many people reported to me that they were increasingly not seeking medical advice because of the cost of a visit to the doctor—and some of these people were ending up in hospital emergency departments. Others reported that their doctor let patients who pay extra jump the queue while most patients had to wait up to 10 days for an appointment. In one of the surveys that I received from constituents, a woman wrote:
I am a passionate supporter of a fair medical system. I don’t understand why an egalitarian society has a two-level system. I’d much rather pay a higher Medicare levy than buy into a system that offers a preferential medical service to those best placed to pay. Rather than further dismantling Medicare, let’s have a good system that provides a good service to all Australians.

Labor will fight the creation of a two-tier system of health care in this country. We believe in a system that provides health care to those who need it, not to those who can pay for it. We want a good system for all Australians, not a two- or three-tier system that this government, it seems, is trying to create.

It is clear that Medicare is in crisis. Many of my constituents have very disturbing stories to tell about the state of the health system and its effect upon people. One aged pensioner wrote to me:

I moved to Norwood in 2001, so I changed my Doctor. At the first visit they charged me $58. But I am a single aged pensioner and can’t afford so much money up front ... So I changed the doctor again, who bulk bills, but I have to catch two buses to get there, as I don’t drive a car, no doctor around here bulk bills, it is all very upsetting as I am not too well.

The $5 incentive to GPs who bulk-bill concession card holders and children under 16, brought in by this government, will not fundamentally alter the number of GPs that bulk-bill throughout Australia. Another one of my constituents wrote to me:

There are no bulk billing services in the eastern suburbs of Adelaide. It is assumed that everyone is wealthy. I am 55, was made redundant, have a small superannuation pension and do temporary work whenever something is available. In other words, one of the many working poor.

It is people like this woman who will miss out under the Prime Minister’s and the Minister for Health and Ageing’s ‘MedicareMinus’ bulk-billing package. Concession card holders and families receiving family tax benefit A will be eligible for an 80 per cent rebate of all out of hospital, out-of-pocket expenses in excess of $500 in each calendar year. But there is a catch here: you cannot get into the safety net without paying $500 or $1,000 up front. Australians do not get access to the sham safety net until they have paid out $500 or $1,000.

The Howard government’s $500 sham safety net applies to the two million families receiving family tax benefit A. Families receive fortnightly payments of family tax benefit if they register with Centrelink and provide an estimate of future income. Due to the difficulty of predicting income, six out of 10 families are paid incorrectly—either too little or too much. In 2001-02, 1.2 million families received incorrect payments. As a consequence, families are consistently lumped with massive bills due to the inadequacies of this system. Many families who have already been burnt by the family payment debt trap now choose not to register with Centrelink for family tax benefit. Instead, they wait until the end of the financial year to get the family tax benefit paid in their tax return. These families are eligible for family tax benefit A but are not registered for it. We have to ask: how will these families get extra Medicare payments if their expenses are more than $500 per year?

If Medicare payments are now going to be made on the basis of this failed system that I have just described, it leaves the door open for the government to claw back Medicare payments if families are subsequently found ineligible for family tax benefit. The government’s assurances that it will not simply do not stack up with its zero tolerance policy for family tax benefit. The government’s assurances that it will not simply do not stack up with its zero tolerance policy for family tax benefit. The linking of these two doom schemes could result in families having to repay family tax benefits and Medicare benefits at the end of the financial year.
Only 200,000 Australian families will get anything at all from this package. Only 0.8 per cent of the government’s health budget will be spent on this so-called safety net. For the lucky few individuals who can get on the lower—but not low enough—safety net of $500, their incomes are already so low that the safety net is simply inadequate. Income limits for the majority of concession card holders are appallingly low. Health care cards are currently available to those individuals earning below $336 per week before tax. On this kind of income you can hit the safety net but it will not provide much of a softening effect for the harsh reality of escalating health expenses and an absence of bulk-billing. For those people who fall slightly on the other side of this upper income limit, the government is offering nothing. Its refusal to restore bulk-billing means that not only will these people find it harder to find bulk-billing services but also they will be paying more and more for the health care that they require. These people, like so many others, will receive no benefit until their out-of-pocket medical expenses reach $1,000 per year. It is the working poor who will miss out on safety nets and on private health insurance premiums.

Yesterday the Senate Select Committee on Medicare tabled in the Senate its second inquiry report entitled Medicare Plus: the future for Medicare? Welfare groups, in their submissions to that inquiry, overwhelmingly pointed out that the $500 for concession card holders and family tax benefit A recipients would likely be out of reach for them—like many of those who will only be eligible for the $1,000 threshold. In their submission to the inquiry, the Doctors Reform Society wrote:

Even for those who might reach the threshold, the proposal does nothing for them until they reach that threshold. Thus, if they are struggling with costs in January, or June, before they reach the threshold, they may simply delay their visit until desperate, or seek the cheaper alternative at the public hospital emergency department. The concept of a ‘safety net’ which cuts in after a certain threshold spending requires a capacity to budget for the year. Many of the patients who are struggling financially have trouble budgeting for a week, let alone years, and will be little helped by this proposal.

The Prime Minister and the Minister for Health and Ageing seem to be pretending to Australians that a safety net will catch them when they have high health costs. They are trying to convince the public that it is anything but the truth—that is, Medicare minus bulk-billing.

We know that Medicare is broken. Everyone is aware of this reality. But the government’s remedy is one that will only make Medicare sicker in the long term. What is this government offering as a solution? A safety net that is full of holes. Australians do not want a safety net that does not work. They do not want Medicare minus bulk-billing. Only Labor are committed to saving Medicare and to ensuring that Australians get access to bulk-billing.

Labor have pledged to save Medicare and restore bulk-billing. Labor will introduce Medicare teams for health hotspots around Australia—those areas in which bulk-billing rates are in free fall. Each health hotspot will have up to four Medicare teams, each consisting of two doctors and a practice nurse who together will provide an estimated 56,000 consultations per year at no cost to the patient. Labor’s plan is one that will restore access and equity to our health system and will provide powerful incentives for GPs to extend bulk-billing.

Labor have also announced that in government we will invest $300 million over four years in a national dental care program to help the half a million Australians currently facing a wait of up to five years to get
dental treatment. This will clear the backlog and shorten the waiting lists of the many Australians who are waiting for public dental health care in this country. This is in stark contrast to what the Minister for Health and Ageing and the Prime Minister are offering. Currently, the principal form of Commonwealth involvement in dental care is via the private health insurance rebate. For many Australians this is simply out of reach. In practice this means that Commonwealth spending is directed primarily to the wealthy while providing no targeted assistance to those most in need.

Labor believe that dental care, like health care, is a national responsibility. A Latham Labor government will be committed to health care for those who need it, not for those who can pay for it. The earlier select committee on Medicare, which reported last year, found that the problems in accessing doctors around Australia are significant. The committee found: an increase in GP attendances over time which had not been matched by new entrants to the profession; a move away from hospital based care; and an increase in the health care needs of an ageing population, with a corresponding growth in chronic illnesses.

This is a concern that came through time and again in the responses that I received from my constituents in South Australia through the Medicare survey. They reported that bulk-billing doctors are harder and harder to find. Those doctors are less and less able to spend quality time with their patients. The $5 increase in the Medicare rebate for concession card holders and for children under 16 is a measure that does not go far enough. There should be a $5 increase for bulk-billed consultations for all Australians. That is Labor’s position. Bulk-billing should be retained. Rather than funding a safety net with more holes than substance, this government should defend bulk-billing. That is what the Australian people want and that is what came through in my Medicare surveys.

This bill, if it is passed as a part of the government’s MedicarePlus package—which is in fact MedicareMinus—will see an end to bulk-billing, and an end to universal health care in this country. Labor’s plan by contrast is for a $1.9 billion injection into the health system to ensure that all Australians get fair access to bulk-billing and that all Australians have an extra $5 in their Medicare rebate for bulk-billed consultations. Labor are committed to a fair society. Labor’s commitment is one underpinned by real money and attainable goals that will ensure that health care is available not only to those who can pay but also those who need it.

Senator DENMAN (Tasmania) (12.01 p.m.)—The Health Legislation Amendment (Medicare) Bill 2003 proposes, in part, to divide this nation. It seeks to create two classes of health care. It will result in some Australians being able to access the health care they need and others being forced to take risks about their personal wellbeing, the cost of which all Australians will have to pay down the track.

It is the government’s assertion that the universality of Medicare does not include bulk-billing. It says that it was always intended that each general practitioner would have the right to determine whether he or she would bulk-bill their patients. The government says that the basic principles of Medicare only include the right to treatment in a public hospital and to be reimbursed the agreed rebate of the schedule fee. But the expectation of the Australian people has always been that it should not be difficult for general practitioners to reach the conclusion that they should bulk-bill.

It was always the intention of Medicare that access to health care would be based on each Australian’s state of health, not their
wealth. The men and women of Australia and their families expected that the government would maintain the rebate and the schedule fees at such levels that bulk-billing would be commonplace—at least commonplace enough for Australians to be able to choose between a doctor who bulk-billed and one who did not. They expected that bulk-billing would be available to all Australians whatever their age and wherever they might live.

Let us look at what this government is saying about Medicare and this legislation. In the other place the Minister for Health and Ageing said:

I want to make it clear that Australia has one of the best health systems in the world. For the past 20 years, Medicare has provided Australians with essential protection through affordable access to medical, pharmaceutical and hospital services.

Under this government, this protection has proved to be expendable. The government has not practised what the minister now preaches. Medicare must continue to provide this essential protection to all Australians. Sadly, this government clearly does not believe that this is the case, despite what the minister says. In the debate in the other place the minister went on to say:

MedicarePlus responds to the concerns raised and seeks to guarantee that Medicare remains a universal system of affordable access to high-quality health care.

Perhaps the most extraordinary claim from the minister was couched in the following terms, when he said:

The government is committed to a high level of bulk-billing as a key element to Medicare.

Their definition of high level must be very different from that which we on this side of the Senate have. I am sure that the government’s definition is also vastly different from that which most Australian men and women would expect. Take the current bulk-billing rates in my home state of Tasmania. The September figures for 2003 reveal completely unsatisfactory rates of bulk-billing throughout Tasmania. A comparison with the year-by-year figures since the year 2000 show a rapidly deteriorating situation. This is during the tenure of a government which professes to be committed to a high level of bulk-billing.

When Mr Howard became Prime Minister in 1996, the national bulk-billing rate was 80 per cent. It now languishes at 68 per cent. Of course, in the regions it is very much worse than that. In the region where I live in the north-west of Tasmania it is very difficult to find a bulk-billing doctor. I cannot regard 41.5 per cent bulk-billing in Bass, 46.6 per cent in Braddon, 47.3 per cent in Franklin, 51.4 per cent in Denison or even 64.6 per cent in Lyons as demonstrating a high rate of bulk-billing. These rates are pathetically low. They are unacceptable and the proposals now put forward by this government to remedy the situation are way too little and, more significantly, way too late.

Even more stunning has been the rate of decline. At the end of March 2000, after four years of the Howard government, the bulk-billing rate in Bass was bad enough at 53.5 per cent. It is now a whole 12 percentage points lower at just 41.5 per cent. In Braddon the decline has been even more pronounced at 16.1 percentage points, down from 67.5 per cent in 2000 to just 51.4 per cent. In Denison the decline has been a full eight per cent.

Maybe the difficulty for this government in acknowledging the problem has been the fact that the bulk-billing rate in the electorate of the Prime Minister has hardly varied at all over the past few years and still sits at just under 80 per cent. Perhaps the realisation for the government that something needed to be done has come because the electorate of the new Minister for Health and Ageing is not
quite so well served as that of the Prime Minister. In Warringah, whilst the rate is still relatively high compared with regional areas of Australia, it has dropped to 70.8 per cent from 77.6 per cent in 2000. The measures proposed in this package may well lift the bulk-billing rate back up in Warringah and make the minister feel that he has made a difference, but they will do little to remedy the desperate state of affairs which exists outside the big cities and particularly in my home state of Tasmania. I listened to some of the previous speeches and heard contributions from my side about the difficulties of attracting GPs to regional areas. That is very true, particularly where I live. We are losing GPs. We are getting overseas trained doctors who cannot always stay for any length of time and it is creating great problems.

The government has allowed the rate to decline because it has lost sight of the real purpose of Medicare, despite all the claims about how committed it is to universal health care in Australia. I know that the medical practitioners throughout Tasmania, should they choose to bulk-bill, find it difficult to run their practices economically with the current level of rebate, and I understand that. Our lower population and its decentralised nature do not offer Tasmanian doctors the same economies of scale available to their big city counterparts. The same would apply to practitioners in most if not every other region of rural Australia.

It is also fine for the government to extol what it sees as a basic right under Medicare for every Australian to be able to be treated in a public hospital, but that assumes that the public hospitals can manage the increase in patient load which occurs when the local doctor no longer bulk-bills or is only prepared to bulk-bill some patients. Again, at the local hospital in my area this is a real problem—patients come in through outpatients and have to wait a long time because they cannot get a bulk-billing doctor. The fact is that they cannot. There has been enough blame and responsibility shifting between the various levels of government and that has to stop.

It is accepted by all sides of politics and in all tiers of government that Australians are entitled to proper health care wherever and whenever they genuinely need it. It should not matter what sort of card they have in their wallet, how old they are or whether they happen to be in the street next to where a bulk-billing doctor lives. No Australian should have to make a decision for themselves or for a member of their family that they cannot have medical treatment they genuinely need because on that day the family cannot afford it—and hence the outpatients department in the hospital near where I live is being inundated with these families, and it is not their fault. General health and access to proper medical care ought to be the unassailable right of every Australian. It is true that some Australians are more vulnerable than others. There is an argument that children under 16 and persons covered by Commonwealth concession cards are in this category. It is that avenue which the government now takes to attempt to rebalance the scales of its appalling record of providing basic health care to all Australians. It is not enough and it does not address the basic issue of ensuring all Australians have a real chance of finding a bulk-billing doctor if they need one.

It is true that since the start of Medicare it has been up to each individual general practitioner to choose whether he or she would bulk-bill a particular patient. But it is the government which can substantially influence that by creating an environment in which GPs can afford to bulk-bill. I believe that most doctors are prepared to do the right thing but there has to be some real incentive for them to do so. Individual and small group
practices in regional areas cannot be expected to bear the brunt of the government’s preparedness to allow bulk-billing to run down. Government must lift the rebate for applicable general consultations for all patients, not just for patients in certain categories.

The package proposed by the government sends, in my view, the wrong signal to our GPs. The message sent by this legislation is that GPs are really only encouraged to bulk-bill Commonwealth concession card holders and children under 16. A truly universal system must take away the need for any Australian to question whether they can take care of their genuine health problems when they are confronted with them. Take a young 18-year-old starting out in the workforce with a typical Australian carefree ‘she’ll be right mate’ attitude. With the limited disposable income he or she has, are they going to make the right decision about their personal health care? The young person gets a cold which turns into pneumonia and then, in the absence of bulk-billing, opts not to visit the doctor to get proper care. The illness leads to time off work, perhaps the loss of income—depending on the nature of the employment—or even the loss of job. The end result is that this young Australian is on the social security payroll and, somewhat ironically, under the scheme now proposed by the government is then eligible to be bulk-billed for any further medical treatment. These are the sorts of issues that we have to look at and address in this legislation.

Take another Australian couple who are not yet financially secure and are trying to buy their first home. They are not eligible to be bulk-billed and problems come along. They are not covered by a Commonwealth concession card, they become ill—I had an example of this up my way—the wife becomes pregnant and they can no longer access the income they once had, so they are in dire straits and look like losing their home. We pay for the increased cost of health care for Australians whose health conditions should never have been allowed to worsen in the first place. If the situation worsens, we pay again through the need to provide social security or even housing to those who could have provided for themselves. Just as owning your own car or home has been very much the Australian dream, access to medical care when you need it has rightfully become the expectation of every Australian.

The right to basic health care is fundamental to the Australian way of life. It is a hallmark of our society. It is one of the pillars on which the economic and social prosperity of this nation is built. A healthy population makes for a strong and healthy economy and way of life. There are some things that we cannot afford to let drift: the right to a good education and access to health care.

This government has allowed bulk-billing to decline to the stage where in many parts of Australia, especially in rural and regional areas, it is now impossible to find a doctor who will bulk-bill—I have addressed this issue previously up my way. Through this package of legislation, the government now seeks to apply a bandaid solution. It wants to give a bit of an incentive to doctors to bulk-bill young children and concession card holders and hopes that the figures will improve so that the next quarter’s media release can contain some positive points. That would be news, because it is a long time since the quarterly release of bulk-billing rates around the country has contained any good news, especially for my constituents in Tasmania. But the reality is that this is nothing more than a bandaid—and I am sure we have all had experiences with bandaids. They do not actually solve the problem; they assist in stopping the situation from getting any worse. Sometimes they do not even succeed
in that. In fact, left uncared for, they can make the situation much worse.

I fear that this is exactly what the result will be of the government’s piecemeal attitude to providing universal health care for all Australians. The safety net is put forward by the government as a key tenet of its grand solution but it does nothing to address the basic problem. Why wait until medical expenses get to those levels? Why not address the issue when the person becomes ill in the first place? We are yet to know the full details of the procedures which will be required to take advantage of this so-called safety net. It is hard to imagine that it will be anything other than a bureaucratic nightmare, especially for those without a concession card or access to family tax benefit A. The reality in very many cases is that proper medical care accessed at the onset of the problem will prevent the need for further treatment and ballooning costs. I wish to join my colleagues in opposing this bill and urge the Senate to do the same.

Senator BUCKLAND (South Australia) (12.18 p.m.)—I rise to speak in this debate and join my colleagues in passing comment that the Health Legislation Amendment (Medicare) Bill 2003 before us is ill-conceived by the Howard government and certainly needs defeating. In considering the bill, we need to understand what Medicare is all about. It seems to me that the Howard government has lost sight of the fundamental principle of Medicare when introducing its safety net arrangements.

Medicare is the Commonwealth funded health insurance scheme that provides free or subsidised health care services to the Australian people. It is a universal health insurance scheme—at least it was intended to be—but the safety net arrangements proposed in this legislation take the universality out of it by categorising the population into two distinct groups: the less well-off and the not so well-off perhaps. I suppose there is a third group who are well-off and not too fussed by anything being proposed, but I tend to think they are in the minority. This seems an odd thing to do if the government is serious about maintaining a health insurance scheme whereby all Australians can access affordable health care no matter where they are, where they live or how much they earn. They are eligible for a universal rebate for the services they receive, they are able to benefit from free care in public hospitals and receive subsidised medicines through the PBS. Under this scheme, the very idea of access to affordable health care for all Australians goes out the window; all it does is create a series of winners and losers.

It is not my intention to reiterate and bore the Senate with what has already been said—it has been said very well by my colleagues. I was not part of the committee that inquired into this issue, but I give praise to Senator McLucas and her colleagues—from all sides—for the effort they put in. It is a shame that the government members could not join the majority report. Having not been a part of the committee, I relied heavily on the report and also, more importantly, on the evidence that was given before the committee. Much of it moved me to believe that some of it should be put on the record in this place. Some of the rhetoric does not match the reality of the proposed reforms.

This package does not strengthen Medicare as a universal entitlement; rather, it enhances the safety net provisions for people clocking up medical bills as a result of the chronic underfunding of the federal Medicare Benefits Schedule. It also confirms that the costs of medical practice are outstripping the Australian government’s willingness to properly cover a visit to the doctor for everyone. It signals very clearly the government’s preference for well-off people to pay
more at the point of service, so that a defined group—children under 16 and people with concession cards—may attract an additional $5 per visit Medicare insurance entitlement and thus have a slightly better chance of being bulk-billed. They have a slightly better chance—it is not a guarantee.

There appear to be some major assumptions underpinning the MedicarePlus package. Firstly, there is the assumption that many people will pay more to see a GP. Only concession card holders and young children are the targets for bulk-billing. In other words, the government is content that nearly half of all GP patients will have little hope of being bulk-billed. In the mind of the Australian government, this is obviously acceptable public policy. What I have just said comes from the Catholic Health Australia submission. It is one that I would encourage all members of the Senate to pay attention to, along with all of the other very fine submissions. The reason I think it is important for people like me to rely on the evidence is that the people making these submissions—the welfare groups and the individuals—are the people who are experiencing the difficulties of health care day by day and hour by hour. They experience these difficulties 24 hours a day.

GPs will only be able to sustain bulk-billing at its current rate of remuneration by seeing more patients for shorter consultations. This is another observation from that same submission, and isn’t it right? I am a very fortunate person, and so are the members of my family. We rarely need to see a doctor, but that could change at any time. In fact, last year was the first time in four years that I have been to see a doctor. I took sick here in Canberra with the flu because of the weather. I am blessed in that I do not need to continually use the services of a GP. Many times doctors are putting people through as quickly as they can, sometimes simply to maintain some level of service but also to keep the level of income up. I do not know if that is greed based. I do not know if it is because there are so many sick who cannot access doctors, particularly in rural areas, where there are not sufficient doctors. That is not an aspersion on doctors at all. Indeed, I have spoken with many doctors in rural areas who felt this need to push patients through as quickly as they could. It is endemic within our community now that we have insufficient doctors able to continue practising in rural areas. The government should do a lot more about it, rather than just talk about it.

There are people on concession cards who have better means than average working families. The many people who are in the work force and do not have concession cards, but do have families, mortgages and responsibility for someone who suffers an illness, are the ones who will lose out under the proposed legislation before us. They will lose out. They can be earning but they will be no better off than concession card holders or those who fall into the safety net area that the government says will be covered. The committee report found that the key objective of any health safety net is the minimisation of hardship resulting from incurring medical costs. This often involves the identification of those in the community who are economically disadvantaged and/or those who incur above average medical expenses. In assessing the proposed new safety nets, it is important to establish the situation as it presently exists. The rationale behind the current safety net system was explained to the committee by Professor Deeble. Professor Deeble said:

The underlying reasoning was that a combination of bulk billing by doctors and access to free public hospital care should and would ensure that people with unavoidably high medical use were not forced to pay out large amounts themselves.
But the primary concern was with high medical use, not high doctor fees. Benefits have therefore been limited to the full schedule fee, not the doctor’s charge. If the schedule fee was ‘fair and reasonable’ covering higher charges was seen as unjustified and contradictory.

These are people who are out there every day dealing with the problem we have in our health care system. The report goes on to say:

The submission from the Department of Health and Ageing argued that while out-of-pocket expenses for GP services have increased over time, patient contributions for specialist, diagnostic and treatment services have increased by dramatically more. The Department’s Submission indicates that between 1984-85 and 2002-03, average patient contributions for GP services increased by 65% in real terms, compared with a 310% real increase for non-GP services.

It does not matter where you go in this report or where you go in the evidence that came before the committee, everyone is saying that what is being proposed in relation to the safety net by this government is not right. It is wrong and it needs to be rethought. As I said earlier, one of the principles of Medicare is equity—something for all Australians. This is another way the government has found to divide the nation into different groupings. On the point of equity the report says:

Setting aside the issue of universality, does the creation of incentives to bulk bill concession card holders and children under 16 years represent an effective measure of need for bulk billing? Evidence to the inquiry has raised two principal objections to the scheme.

3.51 Firstly, a focus on concession card holders and children tends to exclude a group loosely categorised as the working poor.

That was pointed out in the Country Womens Association submission. I will not quote the full text of that but I would encourage senators to read that part of the submission dealing with equity. The Liquor, Hospitality and Miscellaneous Union made a similar case. Again, without going into too much detail of that, reflecting the same view they said:

There is another group of Australians, the forgotten Australians—

this time not the working poor but the forgotten Australians—

that are key to this debate, they are low paid Australian workers.

not those on benefits, but those who are commonly called the working poor. The same problem was gone into in great detail by ACOSs, a respected organisation in many different areas. ACOSs said:

Our analysis shows that people without children and earning the minimum wage (around $450 a week) and part time workers earning more than the concession card cut-off point of $340 a week, will miss out on the bulk billing incentives. They face a current average co-payment of $13 for every GP visit and $45 for an x-ray.

So it goes on. The Geelong and Region Trades and Labour Council made a submission along the same lines as did the Council on the Ageing, which said that illogical differences would emerge:

• between concession card holders and those whose income is only marginally beyond eligibility limits;
• between low wage earners and people on income support payments; and
• between dependants who are 16 and dependants who are 17—both still in education and being supported by their parents.

These are the people who are missed out and suffer from this ill-conceived proposed legislation. Many of the submissions saw this whole proposal as being ill-considered. The Uniting Church called it ‘illogical and unrealistic’. Catholic Health Australia, which I made reference to earlier on, made the point that there ‘are people with concession cards who have better means than average working
families.’ The Doctors Reform Society concluded:

Doctors who currently bulk bill everyone are being told that they will be paid less for seeing a struggling worker in a low paid job than a comfortable pensioner or the children in a wealthy family. The message to the doctor is that he/she should charge the struggling worker a co-payment.

It does not matter who you talk to or where you go, we find real difficulties confronting us with this bill.

There are other parts of this bill that would be worth exploring if time allowed and at some time we may do that. The submission that touched me more than any—and I suppose knowing the author made it seem a little bit closer—was from the St Vincent de Paul Society. On the safety net it reads:

The Safety Net, which pays 80% of medical costs (not including expenditure on medications) over a $500 (for Concession Card holders or recipients of Family Tax Benefit A) or $1000 (for others) a year threshold, sanctions the high fees of Specialists and Diagnostic Services, encouraging further rises.

This, in our view, should be unnecessary with access to affordable GP services. The current proposal is unsatisfactory for the 4.6 million people in low income households.

That is, there are 4.6 million people we have missed out. It continues:

As mentioned above, they do not have the $500, much less the $1000, to spend on health care. The opportunity to use the Safety Net depends on their ability to spend these sums of money in the first place to reach the out-of-pocket expense threshold. Those who don’t have the money either forego the medical care they need or seek it in overstretched Emergency Departments of Public Hospitals.

(Time expired)

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (12.38 p.m.)—I would also like to contribute on behalf of the Democrats to the debate on the Health Legislation Amendment (Medicare) Bill 2003 and to the broader debate on Medicare. There has been a lot of talk on this already today and frankly a large proportion of it has not gone to the specific content of this bill, which introduces an enhanced safety net. Whilst there has been a lot of interesting rhetoric and talk about philosophies and theory, again a lot of it has not been particularly linked to the imminent reality people are facing. My feeling is that in this debate not just today in the Senate but in the community over many months a lot of people have let their loathing of this government and its ideology get in the way of objectively assessing the broader issue of our health system and more specifically the content of the piece of legislation before us. I can very much understand people’s loathing of this government and of a lot of what it is about, but that should not cloud their assessment of the potential impact of the legislation that was presented to the Senate this morning.

This legislation, and the broader MedicarePlus package, was referred to a Senate committee, and the report was brought down yesterday. I commend the report to anybody to read. The majority report of the opposition and Democrats senators, along with Senator Lees, provides a fairly good outline—which, while reasonably brief, has sufficient detail—of its examination of not just the safety net issue but some of the broader issues in the MedicarePlus package. This legislation, of course, deals with just the safety net issue.

The Democrats believe very strongly that many Australians are hurting, and that some of them are hurting a lot, because of the continuing and developing problems with Medicare and with our broader health system, but we want to do more than just acknowledge that fact and use it to bash the government around the head. We also want to see if we can alleviate some of that hurt. I find it quite
extraordinary that Labor and the Greens are building as strong a picture as possible of how much people are hurting at the moment—and a lot of it has strong basis in fact—but then using that to somehow justify not exploring the opportunity to alleviate some of that hurt. There has been a suggestion in some of what has been said this morning and in other commentary, including in the Senate committee, that the very idea of a safety net is anathema to Medicare and that if we put in place a safety net it will mean that the opportunity to ensure the future of Medicare is lost. There is even a quote in the report about the idea of a safety net being a cruel hoax.

I am sorry, but there is already a safety net in place. The fact that many people do not know about it is a demonstration of how inadequate it is. The Senate committee report explains in quite good detail in chapter 2 on pages 11 and 12 why the existing safety net is no longer adequate and why it does not work. The report quite clearly and specifically says:

It is clear that, under existing arrangements, out-of-pocket costs are mounting up to levels which are unaffordable for many Australians. The lack of adherence to the Schedule Fee and the drop in bulk billing rates has eroded the effectiveness of the existing safety net.

That is what the majority report says—that is, the report from the Labor senators, the Democrats senators and Senator Lees. Obviously we want to get more adherence to the schedule fee and improve bulk-billing rates, but preventing this bill from going through in any form is not going to improve bulk-billing rates or adjust the schedule fee. You are dealing with completely different issues. The report itself acknowledges that the existing safety net is inadequate. It says:

The result has been reduced affordability and access to even some basic medical services.

I find it extraordinary that the response should be to oppose any attempt to address the existing safety net. The committee in the majority report agrees that the new safety net offers one possible option to address these problems. The report also says—and the Democrats agree with this; that is why we signed up to it—that there are some fundamental problems with how the safety net as proposed in this legislation is structured, not least of which are the two different thresholds. Some in the community will qualify sooner than others, which immediately opens up the possibility of widespread anomalies. The committee report details some of those anomalies, and one is that some people with a greater need who are in greater poverty will have to meet a higher threshold than others. It seems to us that a safety net with that anomaly is not the best mechanism.

Similarly, a universal health system with two different qualification thresholds presents problems. There is also the problem—and, thankfully, it is starting to be acknowledged—that people on lower middle incomes suffer a significant disadvantage. As their income goes up a bit, they start to lose qualifications for health care cards and are subject to a high effective marginal tax rate. If that goes in as it is, those disincentives will be exacerbated. We do have problems, as we said in the report, with how this is structured but we do not accept the idea that we should throw out the whole thing when there is an opportunity to explore whether or not we can help people who are currently hurting a lot.

Debate interrupted.

PRIMARY INDUSTRIES (EXCISE) LEVIES AMENDMENT (WINE GRAPES) BILL 2003

Second Reading

Debate resumed from 10 February, on motion by Senator Vanstone:

That this bill be now read a second time.
Senator BUCKLAND (South Australia) (12.45 p.m.)—The Primary Industries (Excise) Levies Amendment (Wine Grapes) Bill 2003 proposes an amendment to the Primary Industries (Excise) Levies Act 1999 and affects only the maximum rate of levy that may be applied to the research and development component of the wine grapes levy. The maximum rate is currently $3 per tonne of wine grapes and the present operative rate, set under the Primary Industries (Excise) Levies Regulation 1999, is also $3 per tonne. This amendment will allow future changes to the operative rate to occur within the proposed $10 maximum rate. Any attempt to increase the levy must meet the 12 levy principles introduced by the government in January 1997. One of the principles relates to the need for demonstrated support for the industry—in this case, the wine industry—for any change to the levy rate. That will require proper consultation with the industry and evidence of support for any increase.

As the member for Hunter told the other place, Labor will ensure that all 12 tests are met before any levy is endorsed by the parliament and we will ensure that we widely consult with the wine industry. The Australian wine industry first sought the imposition of a levy in 1979 to assist research and development through the Grape and Wine Research and Development Corporation. Since then, the operative rate of the levy has been increased to $3 per tonne, with the last levy increase occurring in February 1999. This industry has expanded enormously in recent years, with exports now valued at $2.4 billion.

As a South Australian, I can say that wine grapes have increased in quality, particularly those grown in South Australia. They are produced there and we all enjoy that. South Australia is the great wine-producing state and I think we should acknowledge that. There are other states, I believe, but I have not yet come across wines from those states.

Senator Ferris—You haven’t mentioned them yet!

Senator BUCKLAND—Senator Ferris, you are right. There are some things we leave unsaid. I note Mr Fitzgibbon made that claim about New South Wales but, of course, he is wrong and I think we need to make that very important point. South Australian wine growers make an outstanding contribution to the industry, the local economy and the national economy, and they play an increasingly important role in my state’s tourism sector. As the Minister for Agriculture, Fisheries and Forestry said in his second reading speech, the Australian industry is globally recognised as a technological leader. Australian growers and winemakers have always been open to new ideas and keen to adopt new technology. As the member for Hunter pointed out, that is clearly the key to our success in the international marketplace.

Support for this amendment from the Winemakers Federation of Australia confirms the industry’s commitment to research and development as a platform for the future. The Winemakers Federation is the declared winemakers organisation for the purposes of the legislation and represents some 95 per cent of wine production in Australia. As with other rural research and development arrangements, the government matches the expenditure of the levy funds on eligible research and development projects, up to 0.5 per cent of the determined gross value of production of the industry concerned. The amendment will provide the industry with the capacity to seek an increase in the operative rate of future vintages from July 2004. On that basis, the opposition wholeheartedly supports the bill and the changes.

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for
Agriculture, Fisheries and Forestry (12.50 p.m.)—This proposed amendment to the Primary Industries (Excise) Levies Act 1999 only deals with an increase to the maximum allowable rate of the research and development component and it will take effect from 1 July 2004. These changes have no direct financial impact on the Australian government and this proposal also has the support of the Australian wine industry, including the important and very highly regarded Victorian wine industry. Any changes to the operative rate are actioned by a regulatory process and I am pleased that this will go ahead to enhance the great capacity of the wine industry.

The ACTING DEPUTY PRESIDENT (Senator McLucas)—I know it is quite inappropriate from the chair, but I have to give a plug to the Queensland wine industry.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

NATIONAL RESIDUE SURVEY CUSTOMS LEVY RATE CORRECTION (LAMB EXPORTS) BILL 2003

NATIONAL RESIDUE SURVEY EXCISE LEVY RATE CORRECTION (LAMB TRANSACTIONS) BILL 2003

Second Reading

Debate resumed from 10 February, on motion by Senator Vanstone:

That these bills be now read a second time.

Senator BUCKLAND (South Australia) (12.52 p.m.)—The National Residue Survey Customs Levy Rate Correction (Lamb Exports) Bill 2003 and the National Residue Survey Excise Levy Rate Correction (Lamb Transactions) Bill 2003 amend the National Residue Survey (Excise) Act to validate levies already collected under the Primary Industries Levies and Charges (National Residue Survey Levies) Regulations in respect of lambs with a sale price of more than $75 per head. The bills are required to satisfy section 55 of the Constitution, which, in part, provides that ‘laws imposing duties of customs shall deal with duties of customs only, and laws imposing duties of excise shall deal with duties of excise only’. The passage of these bills will ensure that the lamb sold on the domestic market is subject to the same levy as lamb sold for export.

The National Residue Survey plays a key role in maintaining the integrity of our raw food products. It was established in the early 1960s in response to growing concerns in major export markets about pesticide residues in meat. Since that time there has been a significant increase in the number of both animal and plant products covered by the survey. The survey is operated on a cost recovery basis with levies on participating industries being the key source of revenue. Survey funds cannot be used to cross-subsidise between participating industries, and each industry program is operated as a separate cost centre.

While Labor is happy to support these bills, I would appreciate some advice from the minister as to when the drafting error that caused the problems we are correcting today was detected. It is my understanding that the drafting error was detected in July 2000. I ask the minister if we can be advised as to why it has taken so long to get the correcting legislation into the parliament. We support the bills.

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (12.54 p.m.)—The agreed rate of 8c per head was first set in June 1998 in respect of lamb exports with a value of more than $75 per head. Since 1 July 2000 a levy of 4.7c has applied
through a drafting fault in the regulations—so that date is correct—rather than the intended rate of 8c cents per head. The peak industry body, the Sheepmeat Council of Australia, and its member organisations have always been committed to an NRS transaction levy of 8c per head in respect of lamb exports with a value of more than $75 per head. They formally requested that this drafting fault be amended and for the validation of the levy already collected at the agreed rate of 8c set in June 1998, so this recovers the cost of the residue monitoring program that is required for market access.

Question agreed to.

Bills read a second time.

Third Reading

Bills passed through their remaining stages without amendment or debate.

Sitting suspended from 12.56 p.m. to 2.00 p.m.

MINISTERIAL ARRANGEMENTS

Senator HILL (South Australia—Leader of the Government in the Senate) (2.00 p.m.)—by leave—I inform the Senate that Senator Kay Patterson, the Minister for Family and Community Services and Minister representing the Minister for Children and Youth Affairs, will be absent from question time today due to ill health. During Senator Patterson’s absence, Senator Vanstone will take questions on family and community services as well as children and youth affairs.

QUESTIONS WITHOUT NOTICE

Trade: Free Trade Agreement

Senator O’BRIEN (2.01 p.m.)—My question is to Senator Ian Macdonald, representing the Minister for Agriculture, Fisheries and Forestry. Is the minister aware of comments by US trade ambassador Zoellick that as a result of the trade deal:

... the US and Australia will work to resolve sanitary and phytosanitary barriers to agricultural trade—in particular, for pork, citrus, apples and stone fruit.

Is the minister also aware of the comments by US trade ambassador Zoellick:

USDA’s Animal and Plant Health Inspection Service and Biosecurity Australia will operate a standing technical working group, including trade agency representation, to engage at the earliest appropriate point in each country’s regulatory process to cooperate in the development of science based measures that affect trade between the two countries.

Can the minister provide us with more detail on this technical working group? In particular, why would such a group require trade agency representation if it is to assess quarantine issues solely on the basis of science?

Isn’t our quarantine system already science based? What science based measures does the USDA want to discuss?

Senator IAN MACDONALD—I thank Senator O’Brien for that question because it gives me the opportunity of emphasizing that our quarantine, our sanitary and our phytosanitary arrangements will remain in place. I hear that a Tasmanian senator was yesterday—quite wrongly and deliberately misleading—indicating that Australia would give away its quarantine arrangements, its import risk assessment arrangements.

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

The PRESIDENT—I’ve got your point of order.

Senator Faulkner—Thank you, Mr President. He should be ruled out of order immediately.

The PRESIDENT—Senator Macdonald, your claim of ‘deliberately misleading’ is not parliamentary. I would ask you to withdraw.

Senator IAN MACDONALD—Certainly I withdraw that, Mr President. Senator Brown was making comments which directly relate to the issues that Senator O’Brien
asked me about. It is unfortunate that there are senators in this chamber who will mis-represent the actual situation. Senator Brown should be ashamed of himself for the scare campaign he was running in the Tasmanian media yesterday. Senator O’Brien’s question relates to a number of issues, some of them technical. I must confess that I do not have the technical details and I do not think Senator O’Brien would expect me to have them. Those sorts of questions on technical details are usually raised by senators in estimates committees.

Senator Conroy—You don’t know the answer.

Senator IAN MACDONALD—Quite clearly, that sort of detail is the sort of thing that senators will have the opportunity to discuss at the estimates committee next week. But as I represent the Minister for Agriculture, Fisheries and Forestry, Mr Truss, I will certainly try to get some of the details for Senator O’Brien before the estimates committee meets next week.

It is important to understand that both Australia and the United States want to ensure that our quarantine, our sanitary and our phytosanitary arrangements are in place. The import risk assessment processes in our country—and, I assume, in the United States—will remain in place. That is taken as granted. Every Australian would expect that to be the case. In relation to a number of the products which are to be subject to free trade arrangements into America, the US, I am told, have not yet fully assessed our market access request from their import risk assessment processes. That will be done and we would expect that to be done—the same as will occur in Australia.

Nothing can overcome the fact that this free trade arrangement with the world’s biggest economy is absolutely fantastic news for the Australian economy, and particularly for primary producers in our country. That is why leader after leader of primary industry groupings have come out supporting the free trade agreement and acknowledging its great benefits to Australian primary producers.

Senator O’BRIEN—Mr President, I ask a supplementary question. I note that the minister has undertaken to attempt to obtain an answer to my question before estimates committee hearings commence. I look forward to that answer. In the context of the latter part of the answer about confidence in this deal, is the minister aware that Australia’s pork, vegetable and fruit growers are rightly concerned at the quarantine arrangements negotiated in the deal? Given that this information is from the US and not Australia, why do Australia’s farmers have to rely on the US government to tell them the truth about what is being traded away in this deal?

Senator IAN MACDONALD—I do not think anything is being traded away in this deal. This is a very good deal for Australia, and it is a very good deal for Australian primary producers.

Senator Robert Ray—You wouldn’t know. You haven’t read it.

Senator IAN MACDONALD—No-one over that side, particularly Senator Ray, would have a clue what primary producers are about in Australia. He would not know a primary producer if he fell over one. This side of parliament is very keen to ensure that the benefits from the free trade agreement do pass on to primary producers. Primary producer leaders have acknowledged that and have congratulated the government for the work done on the free trade agreement because they, unlike you people—who have no idea about rural Australia—understand that this is a good deal for them. It is a very good deal for Australia, and Australia will do very well out of it.
DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the chamber of a delegation from the Parliament of Kenya, led by the honourable Peter Oloo Aringo MP, Vice-Chairman of the Parliamentary Services Commission. On behalf of the Senate, I welcome you to Canberra and also to the Australian Senate.

QUESTIONS WITHOUT NOTICE

Howard Government: Economic Policy

Senator WATSON (2.08 p.m.)—My question is a positive one about the robust structure of the Australian economy and is directed to the Leader of the Government in the Senate, Senator Robert Hill. Will the minister advise the Senate how the Howard government’s responsible economic management is providing real benefits for Australians and their families? Is the minister aware of any alternative policies?

Senator HILL—I thank Senator Watson for his question. Senator Watson is a senator who understands what good economic policies can achieve. We are able to demonstrate what good economic policies can achieve because the Australian economy continues to go from strength to strength under the responsible and strong management of the coalition government. Mr President, I remind you that we took the tough but fair decisions to get the budget back into surplus after years of big deficits under Labor—$96 billion of debt was accumulated in their last five years in office alone. Labor’s big spending ways lead to higher government debt, higher taxes and higher interest rates. Thanks to our management, Australia has one of the best performing economies in the industrialised world, with low inflation and historically low interest rates that are saving Australian families thousands of dollars in mortgage payments every year.

Who opposed those fair but challenging reforms? The Labor Party and their new leader, Mr Latham. They opposed them on every occasion. They tried to stop the very measures that have delivered economic benefits for Australian workers and their families. We have even more good news today. Today’s employment figures show that almost 30,000 new full-time jobs were created in January. Since coming to office, the Howard government have created more than 1.3 million jobs, or almost 500 jobs every day. What a contrast to Labor’s appalling record on unemployment. Who will ever forget unemployment under Labor reaching one million Australians?

The Howard government are not resting on their achievements. We want to see more economic growth. We want to help create even more jobs for Australia. That is why this government has negotiated the free trade agreement with the United States—an agreement that gives our industry and our exporters greater access to the world’s largest economy. More export earnings for Australia and more jobs for Australian workers. That is what it is all about. The car industry says it is a good deal for Australia. The mining industry says it is a good deal for Australia. The dairy industry says it is a good deal. Our wine exporters say it is a good deal. The farmers say it is a good deal. Even the state Labor premiers say it is a good deal. So who is the odd man out? Mr Latham, the new Labor leader. He has failed the first test of leadership. He wants to stand in the way of thousands of new jobs. He may pull a media stunt every day, but he has been found out. Mr Latham can still show leadership—he could admit he has made a mistake on this one; he could stand behind the coalition and endorse an agreement that is going to create economic growth and more jobs for Australians. It is
time for Mr Latham and the Labor Party to stop putting the jobs of Australian workers at risk.

Trade: Free Trade Agreement  

Senator CONROY (2.12 p.m.)—My question is to Senator Ian Macdonald, representing the Minister for Agriculture, Fisheries and Forestry. Does the minister recall telling the Senate yesterday that one of the benefits from the trade deal is that ‘avocados from Australia will have access to the US market in volumes of up to 4,000 tonnes’? Minister, is it the case that the trade deal negotiated by Minister Vaile only allows Australian avocado growers to sell their product in the US at those times of the year when Australian avocados are not available? Just why did Minister Vaile agree to this seasonality clause on market access for avocados? What other horticultural products are also subject to seasonality restrictions in the trade deal? Will such a clause set a precedent for other trade deals your government may pursue?

Senator IAN MACDONALD—I do wish Senator Conroy would put as much effort into researching these subjects as he puts into trying to knock off Senator Kim Carr in their factional battles in Victoria. If Senator Conroy had done any research, rather than relying on a few snippets out of various newspapers, he would understand just how wrong the premise of his question is. It might be appropriate, Senator Conroy, to have a look at the facts—apart from the fact of how you get rid of Senator Carr from the Victorian Labor Party. You really do need to have a better understanding of the facts. I invite you to have a look at an avocado and an avocado tree. I know that you are one of these other people like Senator Carr who never get out of Melbourne and so would not know what an avocado looked like, but let me help you, Senator Conroy. The arrangement is that 2,500 tonnes of avocados will be available for shipment between 15 September and 31 January. In addition, we can ship another 1,500 tonnes of avocados between 1 February and 15 September, which means, in effect, we can ship avocados all year round—different quantities in different parts of the year.

I invite Senator Conroy to do a bit of research into avocados. He would find that most of the avocados are grown in Queensland and New South Wales. He would also find out that there is a very wide geographic distribution of avocado growing in Australia, anywhere between 17 and 32 degrees south. I can tell you from my wide experience and travel in country Australia that they grow just about anywhere, from up in Cape York down to where Senator Heffernan comes from. So there is a wide geographic range, and they become available at different times of the year. Here is the important bit: production peaks from June to December, with lighter supplies available during the summer months. If you go back to what I said earlier, September to January is the period when we can do 2,500 tonnes of avocados; from 1 February to 15 September, 1,500 tonnes of avocados. I have not spoken to Mr Webster myself, but I am advised by my department that they have spoken to Mr Webster. Mr Webster has now indicated that perhaps he misunderstood the arrangements, and I am told by my department that Mr Webster now thinks that this program is a very, very good one.

It is all about market development. It is all about looking to the future. It is all about getting new markets for the produce of Australian primary producers, and that is what this government are all about. That is why we have put such a great effort into expanding the markets for Australian primary producers. Again I repeat: this is a great deal for Australian primary producers. I just cannot
understand Mr Latham’s carping, negative approach to this. Mr Latham had a great opportunity to work in Australia’s interests, but he has gone back to the old-time Labor approach: flip-flopping all over the place and being negative just because the Howard government has promoted this very, very good deal for Australia. When the Labor Party stops flip-flopping on these issues, it might get somewhere. *(Time expired)*

Senator Heffernan—You don’t know, Steven.

The PRESIDENT—Senator Heffernan, I will remind you that shouting across the chamber is disorderly.

Senator CONROY—Mr President, I ask a supplementary question. Minister, a real free trade agreement would provide free market access to a market irrespective of seasonal conditions. When will the minister reveal all the other miserable compromises contained in this deal that Mr Vaile agreed yesterday was the smallest and slowest deal the US has ever done with another country in a bilateral agreement?

Senator IAN MACDONALD—I invite the Labor Party to send Senator Cook back to the frontbench. Whilst we never thought Senator Cook was a great trade minister, he obviously knows a hell of a lot more about it than Senator Conroy ever will. Senator Conroy, you just demonstrate by your question that you have absolutely no idea. You are just running the political lines of your leader—the old Labor approach of simply carping and being negative about any new project that can be good for Australia into the future. We are not only talking about next month and next year; we are looking towards the future, because this is a government that understands that Australia’s future depends on expanding its markets everywhere in the world. What better place to start than Thailand, and what better place to go second than the biggest economy in the world, the United States? It is a fabulous deal for Australia.

Transport: Road Funding

Senator JOHNSTON (2.19 p.m.)—My question is to the Minister for Local Government, Territories and Roads, Senator Ian Campbell. Will the minister inform the Senate of any recent initiatives in road funding? Is he aware of any alternative policies in this area?

Senator IAN CAMPBELL—I thank Senator David Johnston, a Liberal senator from Western Australia, for a very important question not only for our state of Western Australia but also for all states of Australia. Over the summer recess of the parliament Minister Anderson, the Deputy Prime Minister, and I were able to announce one of the most significant road funding packages and road funding boosts in Australia’s history, which will significantly improve the quality of roads that motorists in most places in Australia drive on. The funding announcements—which you would have noticed, Mr President—do in fact benefit all states of Australia in terms of Commonwealth funding. There are two significant parts. Firstly, there was the announcement of another $1.2 billion over four years for the extension of the Roads to Recovery program, one of the most popular road funding programs in Australian history. That will see $300 million a year going to local councils throughout all states and territories of Australia. That money will commence flowing immediately on the expiration of the existing Roads to Recovery program.

What we will do in stage 2 of the Roads to Recovery program, which will commence in July 2005, is break it into two segments. A $200 million a year program is given directly to councils so that local councils and local communities and citizens in their local areas can drive the road funding priorities—as op-
posed to state Labor roads ministers who tend to drive their priorities into their own little favourite areas. In Western Australia we have a road minister who does not really like roads; she likes railways and wants to build a $1.2 billion railway down to Mandurah and allow all the roads to crumble.

The other segment of the Roads to Recovery program is a $100 million per year program which will allow councils to work together at a regional level to invest in road projects that have strategic importance to the timber industry—which I think Senator Macdonald will be pleased to see—to the tourism industry or to other strategic industries. Through you, Mr President, I might say to Senator Johnston that that fund has been described already by Labor as a slush fund for the next election. Unfortunately the shadow minister who described it thus was confused, because the funds actually do not commence until after the next federal election. There is no politics in this; it is just good sensible policy for building better roads and safer roads for Australians—safer roads for families driving on holidays, tourists going around to various beautiful parts of our lovely country and freight operators who are plying local roads.

Senator Johnston asked me whether there are any alternative policies. This policy has been described by the Australian Labor Party, both by the shadow minister and by the leader, in derogatory terms. Roads to Recovery was originally called a ‘boondoggle’ by the Labor Party, which perplexed most Australians. Mr Latham himself has actually said that they will not commit to the $100 billion per annum strategic fund. He said in typical Mr Flip-Flop style language that he would change the priorities. There is also an injection of over a quarter of a billion dollars into the national highway and other strategic roads which will ensure that goods and services are moved far more efficiently and safely around Australia. (Time expired)

Senator Brown—Mr President, I rise on a point of order. I notice that the question asked for opposition policy—if there are other policies on the matter. Mr President, you will note that standing orders prohibit a question seeking government policy. I ask you to look at that standing order to see whether ipso facto that does not mean policies of other parties with a view to disqualifying such questions, or whether it would be preferable for me or somebody else to bring forward a motion to clarify the matter.

The President—I will look at the Hansard. I take the view that we try to be as cooperative as we can with the questions in this place, but I have to draw the line on certain occasions. I will look at the Hansard to see if there has been a contradiction of standing orders.

**Taxation: Family Payments**

Senator MARK BISHOP (2.26 p.m.)—My question is to Senator Vanstone, the minister representing Senator Patterson, the Minister for Family and Community Services. Is the minister aware that, after just three years of the Howard government’s family assistance system, one in three families has accrued over $1.5 billion in debts, a quarter of a million families have been hit with second debts before repaying their first debt and, despite changes already announced, families who opt for fortnightly payments are still at risk of unavoidable debts? Can the minister explain why, if work and family really is the government’s third-term priority, this debt trap, which so many families find impossible to avoid, has not been fixed?

Senator VANSTONE—I thank the senator for the question. Senator Patterson’s brief has no updated information in relation to those matters, so I cannot say whether the figures you are referring to specifically are
spot-on or not. But I can say that, under this government, payments to families are far higher than they were under the previous Labor government. I can also say that taxes paid by families are lower than those charged by the Labor government. I can further say that the withdrawal rate of welfare has been lowered—that is, the taper rates that contribute to what is inappropriately, in my view, called an effective marginal tax rate. Those rates have been reduced.

What do those three things lead you to, Senator? When you have a Labor government in power that does not run the economy well, families are far worse off. They get less in family payments, they pay more in tax, they have higher withdrawal rates and, incidentally, while they are there and for good measure, Labor tosses in high interest rates and high unemployment rates. So it is perfectly clear to everyone on this side of the chamber that voters—and at the last two or three elections it has been clear to them—are better off with a government that manages the economy well, that looks after families, that has much better tax rates than the previous government and that has a much lower withdrawal of welfare.

Senator MARK BISHOP—Mr President, I ask a supplementary question. The original question was directed to issues of debt, not taxation rates or withdrawal rates. Is the minister aware of a story in the Australian newspaper by Christine Wallace which details government research showing that 120,000 families—one in five single-income Australian families—face effective marginal tax rates of nearly 80 per cent when mothers attempt to mix part-time work with parenting. Isn’t this an admission that the design of the family tax benefit works in combination with the tax system to punish mothers who have to return to work after the birth of their child?

Senator VANSTONE—Senator, by your own supplementary you displayed that in fact I did answer your question. The question of overpayments to families is very much associated with the new family tax benefits system. The rate at which people pay back ties into this whole issue that you have raised. As to the article you referred to, as a matter of fact I did see it and I took a particular interest in it. I repeat what the Prime Minister has said in response to questions in this area: nobody pays more tax than—

Opposition senators interjecting—

Senator VANSTONE—I am going to try and rephrase this for you. Our tax rates are lower than the tax rates under Labor. Families with high effective marginal tax rates are not paying more tax. That is the point the Prime Minister makes. People with high effective marginal tax rates are not paying more tax.

Opposition senators interjecting—

Senator VANSTONE—What are they doing, Senator? I will tell you what they are doing: they are paying a normal rate of tax and they are substituting some income—

(Time expired)

Trade: Free Trade Agreement

Senator RIDGEWAY (2.30 p.m.)—My question is to the Minister for the Arts and Sport, Senator Kemp. Minister, notwithstanding your answer to a question from Senator Eggleston yesterday in relation to the Australia-US free trade agreement, can the minister advise whether the Australian government has agreed to an overarching cultural exemption, such as that secured by the Canadian government in the NAFTA agreement or that secured by the Australian government in relation to the Singapore agreement dealt with in June last year? If the government has not secured that exemption, I ask the question: why not?
Senator KEMP—Thank you, Senator Ridgeway, for that question. Commentators have pointed out that the deal does not have the overriding cultural exemption of the agreement that was, for example, recently struck between Australia and Singapore. The main point here is that the Australian government retains its capacity to support the Australian cultural sector.

Senator Brown—That’s not the main game.

Senator KEMP—That is exactly the main game. The Australian government—and this should give you considerable assurance, Senator—can still provide or, indeed, increase support for the Australian cultural sector through such areas as subsidies, grants and tax incentive schemes.

We believe that we have been able to put in place an agreement which protects Australia’s cultural objectives. It is a different agreement, as you have pointed out, Senator, to the agreement that Australia struck with Singapore but the fundamental point is this: we have been able, through this agreement, to protect our cultural objectives. Knowing your great interest in the arts and your considerable work elsewhere it should give you enormous assurance, Senator, that we can continue to support the sector, as I have mentioned, through subsidies, grants and tax incentive schemes—indeed, they can be increased.

Senator RIDGEWAY—Mr President, I ask a supplementary question. I thank the minister for his answer. Given that the US trade representatives are boasting that they now have unprecedented market access for US films and television programs, and there are reports that the government has agreed that Australia will only ever be able to introduce a 10 per cent expenditure quota for children’s and educational channels on pay television, is it not true that the existing 10 per cent expenditure quota on the drama channels only delivers three per cent of Australian content? Can the minister guarantee that the quotas for Australian children’s television programming will not be compromised under the free trade agreement and also whether the free trade agreement will deliver more Australian content on educational or children’s channels?

Senator KEMP—Senator, you would be aware that currently there is a content requirement of 10 per cent on drama channel expenditure. There is a capacity to extend this to 20 per cent or to introduce a 10 per cent expenditure quota for things such as the arts, children’s docos and educational channels. In many ways, this is an improvement on the existing arrangements. Again, I think we have been very effective at striking an agreement which certainly protects Australia’s cultural objectives. Of course, the Americans will go out and say that they have struck a good deal. We believe that we have struck a good deal.

Senator Brown—You got done here.

Senator KEMP—No, we did not get done here, Senator Brown. What will happen, Senator Brown, if your view of the world succeeds, is that Australia will be a far poorer nation—(Time expired)

Workplace Relations: Paid Maternity Leave

Senator JACINTA COLLINS (2.34 p.m.)—My question is to Senator Minchin, the Minister for Finance and Administration. Does the minister still stand by his statement describing paid maternity leave as ‘middle-class welfare’? Does not the Prime Minister’s work and family task force report, which is classified as cabinet in confidence and which the government has been sitting on for 14 months, conclude that the baby bonus primarily benefits middle-income families and should be redesigned? Is it not...
true that this report to cabinet states at paragraph 105 that a national paid maternity leave scheme would ‘benefit the majority of mothers at the time of their first birth’ and that ‘it would be of course possible to apply this scheme to all mothers irrespective of their work force status at the time of the birth’? Can the minister inform the Senate when the government is going to act on its clear advice from its own experts and introduce paid maternity leave so that low-paid Australian families get the financial assistance they need at the time of a baby’s birth?

**Senator MINCHIN**—I am not going to retract any statements I made, unlike Mr Flip-Flop who changes his policies every day of the week. He says one thing and then changes it to another on a very regular basis, whether it be about tariffs on cars or the Adelaide to Darwin railway—the Leader of the Labor Party is Mr Flip-Flop. I am not Mr Flip-Flop and I will not withdraw from anything I have previously said on the question of paid maternity leave. I think I share some views on that with people like Joe de Bruyn and others in the Labor Party who are concerned about a new welfare benefit that only goes to a certain category of mothers. I agree with Joe de Bruyn, who I think has a passing interest in Senator Collins, that schemes that do discriminate against women not in the paid work force need to be approached with great care.

I recommend that Senator Collins have a close look at what Mr de Bruyn has said about these matters, and I am sure she will. Nevertheless, the government remains, as the Prime Minister has made it quite clear, concerned to ensure that we do have policy frameworks in place that do help families balance the very difficult issue of their work responsibilities and their family responsibilities. I am not going to make any comment on documents that Senator Collins may or may not have seen. The government still has this matter under very active consideration and we do share a view with many in the community on the need to ensure that we have that policy balance right.

As a government we have done an enormous amount to assist Australian families. We have extolled the virtues of what we have done on that front in many ways. The new tax system brought in a range of new measures to assist Australian families. We have a very comprehensive range of measures to assist Australian families. The standard of living of Australian families has increased substantially under our government. Nevertheless, there is always more that governments can do. There are always big bucks attached to just about anything you do in this area. Governments have to get their priorities right but we regard this as still a major area for future policy work and we will continue to work on it.

**Senator JACINTA COLLINS**—Mr President, I ask a supplementary question. Can the minister confirm whether he remains steadfastly opposed to a national paid maternity leave scheme? Can I bring to the minister’s attention that paragraph 105, which I quoted in my question, refers to the fact that the report indicates it would be possible to apply this national paid maternity leave scheme to all mothers irrespective of work force status at the time of the birth?

**Senator MINCHIN**—Naturally, I support all policies of this government and I strongly support any decision made by cabinet and therefore I strongly support our current policy framework. But I have said, as have Mr de Bruyn and others, that a paid maternity scheme a la the Pru Goward model, which discriminates against mothers not in the paid work force, causes me some difficulties, as I am sure it must you, Senator Collins, given your loyalty to Mr de Bruyn. Nevertheless, we continue to work on the subject.
Agriculture: Sugar Industry

Senator HARRIS (2.39 p.m.)—My question is to Senator the Hon. Robert Hill, Minister for Defence and Minister representing the Prime Minister. Given that the Prime Minister now appears to be aware of the serious plight of the Queensland sugar industry caused by national competition policy and deregulation, will the Prime Minister now heed the industry’s call for an end to these policies that are disenfranchising rural and manufacturing industries in this country, and adopt the proposal put up by the Sugar Industry Reform Group, ACFA and cane growers to provide price enhancement for the industry in the short term until opportunities for value adding are realised?

Senator HILL—I note Senator Harris’s views on the cause of the problems facing the sugar industry. I do not know that I totally agree with them. As I understand it, the Australian sugar industry is an efficient industry. Its principal problems are that it needs to export some 85 per cent of its crop and the international market is severely corrupted. That makes it a particularly difficult challenge for even the most efficient of sugar producers. The government of course would have liked to see new market opportunities within the United States but that was a no-go for the United States and we were not able to assist in that regard. The Prime Minister has said that he recognises in those circumstances that there is a need to work with the sugar industry where necessary to support rationalisation and to look for other ways in which they can add value to their product and help their ultimate profitability.

As Senator Harris would know from what the Prime Minister has said, there is no doubt that the industry, which I understand is due to meet with him in the near future, will receive a sympathetic ear and an ear that will be constructive and positively inclined to help them in their very difficult circumstances. Whereas I might not agree with Senator Harris as to the cause of the problems, I certainly agree with him that it is a very difficult time for the Queensland sugar industry through no fault of their own. In such circumstances they do deserve some support from government.

Senator HARRIS—Mr President, I ask a supplementary question. I thank Senator Hill for his answer. Minister, will the Prime Minister also include support in the form of grants to fund proposals by the Sugar Industry Reform Group for value adding such as mandating 10 per cent ethanol in all vehicular fuel, cogeneration, bio-plastics, fibre and building products and others to provide opportunities for long-term profitability on the domestic market, or is his government going to allow the sugar industry to suffer the fate of the tobacco industry in north Queensland?

Senator HILL—I do not think there is a comparison with the tobacco industry. Getting back to the point that Senator Harris has made in listing a number of potential by-products or other products that can be produced from within the sugar industry, therein lies part of the solution. The industry recognises that there are other opportunities to add value to their product and that that might need some short-term government support. As I said, the Prime Minister will be constructively discussing these matters with the sugar industry. I would like to conclude by thanking the sugar industry for acknowledging that, although they may not have been winners in the free trade agreement with the United States, it was nevertheless in the best interests of the nation and they would not want to be responsible for it falling, which is much more than I can say for the Australian Labor Party.
Senator FORSHA W (2.43 p.m.)—My question is directed to Senator Vanstone, representing the Minister for Family and Community Services. Can the minister confirm that the government’s 14-month-old cabinet-in-confidence work and family task force report is critical of the Howard government’s family payment system? Does not the report in paragraphs 2.15 to 2.17 make clear that changes made so far by the government to reduce debt will not ‘solve the problem’ and further that significant changes are needed such as ‘changing the income test so it is more appropriately based on current income or past financial year’s income with no retrospective adjustment’? Why has the Howard government done nothing to help the hundreds of thousands of families caught in this debt trap despite being told 14 months ago of just how damaging that payment system is to Australian families?

Senator VANSTONE—Thank you very much for the question. Thanks for the opportunity to comment on cabinet-in-confidence documents, but I will decline respectfully. I will make the point, however, that you consistently raise in here, as do other senators on that side of the chamber, the government’s family tax benefits system, which puts over $11 billion a year into the hands of families—$2 billion more than was the case before that system came into place—and you consistently refer to overpayments as debts. You consistently imply that a family that has had an overpayment should be able to keep it, whereas this government’s position is that a family on the same income in the same circumstances with the same number of children should get the same amount of money. Therefore, someone who has had an overpayment should have it treated as a down payment on the next year or, if they are able to, pay it back.

It is an equity issue: families in the same situation with the same number of kids of the same age on the same income get the same amount of money. Those who get an overpayment are expected to pay it back. Those who cannot do so up front can pay it back by way of negotiated amounts—$20 or $40 a fortnight—and others have it taken out of their next year’s payment. So I think it is somewhat of a misnomer, Senator, for you to refer to them consistently as debts rather than explaining properly to the Australian public what they are, which is overpayments to people who have got more than another Australian family in the same circumstances.

Senator FORSHA W—Mr President, I ask a supplementary question. I note, Minister, you decline to comment on the report, being cabinet-in-confidence. Obviously you do not wish to report because it is so critical of the government’s system. I ask further: can the minister also confirm that the leaked task force report suggests in paragraph 186: Further adjustments to family tax benefit withdrawal rates could be considered.

Minister, isn’t this a clear admission that your family payment system punishes parents such as those who return to work after the birth of a child?

Senator VANSTONE—A point needs to be made when you change withdrawal rates, which this government has done of course—the withdrawal rates off welfare are in many cases lower than they were under the previous Labor government. It must be understood that when you do that, you bring a whole new category of people onto welfare—that is, people who otherwise would not be entitled to any welfare become entitled to some. You may think, Senator, it would be a great achievement for a government to continue to reduce withdrawal rates so as to put a greater portion of the community onto some form of welfare. I do not
happen to share that view. I am very pleased to be part of a government that has dramatically increased payments to families: over $2 billion more; over $11 billion a year in the hands of families—an average payment of $5,000 to $6,000 per family and higher for Indigenous Australians. I have to tell you, Senator, if someone gets a $300 overpayment out of $5,000—(Time expired)

**Political Parties: Donations**

**Senator MASON** (2.48 p.m.)—My question is to the Special Minister of State, Senator Abetz. Has the minister seen the press reports about allegedly unethical donations to political parties? Will he indicate to the Senate the requirements of the Commonwealth Electoral Act on political donations and also give details of any instances of unethical political donations of which he is aware?

**Senator ABETZ**—I can inform the Senate and Senator Mason that I have seen some reports from the Leader of the Opposition in recent times about his rejecting funding from an allegedly unethical source. This comes from the same Mr Latham who, in July 1991 as Councillor Latham, called for a public register of all donations to council campaigns, undoubtedly because it was the ethical thing to do. Yet in May the following year the same Councillor Latham failed to declare that he received a secret $3,000 for his campaign from a developer. It is so typical of Mr Latham’s old Labor—say one thing in a blaze of glory but do another when it can be of personal benefit to you—and of Labor’s Mr Flip-Flop. So it is no surprise that Mr Latham says he will not take money from companies which as part of their business make cigarettes yet accept money from all those companies which as part of their business sell cigarettes, like the Labor controlled workers’ clubs which sell tobacco products and are big donors to Labor. No consistency, no policy integrity—the only thing Mr Latham offers, as former Labor Attorney-General Michael Lavarch said, is cheap populism. What we have from Mr Latham is no real policy, no ladder of opportunity but the blabber of opportunism.

If we want to talk about unethical political donations, let us talk about the two biggest cash cows for Labor. Both involve ripping money out of workers’ pay packets. The biggest, worth some $5 million last year, is the taking of a person’s compulsorily paid union dues and giving them directly to Labor—many from workers who support and vote for the Howard-Anderson government. The worst rort of all is Centenary House, which last year brought in more than $1.2 million to Labor thanks to the Commonwealth Electoral Act and the requirement for public disclosure.

The Senate will remember that Labor and Mr Latham have been asked to renegotiate the lease on proper market terms to save taxpayers’ money. Three times Labor have said they could not do it, because the mortgage was structured in such a way as to make it impossible. Yet what do we see in the latest returns? Centenary House, which cried that it was too poor to give the taxpayers of Australia a break, has donated $1.235 million to the Australian Labor Party! Well may Mr Latham question some donations, but one habit he cannot kick is the union and Centenary House fix which unethically funds Labor. He self-righteously seeks to clothe himself in political virtue by publicly rejecting a small voluntary donation, whilst accepting secret funds from a developer and millions of dollars from compulsorily extracted funds. Mr Latham must be a few rungs short of a ladder if he actually believes that he can fool our fellow Australians with his blabber of opportunism.
Centrelink

Senator WEBBER (2.53 p.m.)—My question is addressed to Senator Vanstone, representing the Minister for Family and Community Services. Can the minister inform the Senate why Centrelink has no process to prevent escaped prisoners gaining access to social security payments to assist them while they are on the run from justice? How many escaped prisoners have received Centrelink benefits? What action has the government taken to respond to this clear misuse of the social security system?

Senator VANSTONE—I am unaware of whether there are escaped prisoners who have received welfare benefits, but I make a guess that they do not roll up to a Centrelink counter and say, ‘I’ve just escaped from down the road. I’m an escaped prisoner. Do you think you could give me a bit of money?’ I suspect it is a bit more complicated than that, Senator. You did give me the opportunity to say, having had the great pleasure of representing Centrelink for a number of years, that the people who make the assessments at Centrelink—those who look at the application forms and make assessments as to who should get payments and who does not meet the requirements—do a tremendous job. They have about six million clients. If you are suggesting that, because one person goes in and perhaps uses an assumed name or something, somehow someone at the front counter ought to know, you are making a mistake. I want to put on record this government’s gratitude to all the workers in Centrelink who do such a tremendous job. I will make some inquiries about whether we are going to put signs up at Centrelink saying: ‘Escaped prisoners, don’t come here’.

Senator WEBBER—Perhaps while the minister is finding out about those arrangements, she could also ascertain why the government has not taken legislative steps to ensure that none of Australia’s estimated 180 escapees are assisted with taxpayers’ funds. Perhaps the minister could also confirm that the reason Centrelink is unable to crack down on abuse of the system by prisoners who are on the run is that the agency has been forced to cut costs by 1.5 per cent to meet its debts, to cover its $47.7 million deficit last financial year—on your watch, Minister.

Senator VANSTONE—Senator, I do have some information for you now and I can assure you—

Opposition senators interjecting—

Senator VANSTONE—You might not be so pleased to hear it, since it is Labor governments that are in the states. It does require the cooperation of states under national protocols. In October last year the Western Australian police notified Centrelink of 25 escapees—someone has to tell Centrelink that they have escaped. Centrelink responded to that request within a few days, giving the addresses of 11 escapees that they knew of—that they knew the names of, that is; they did not know at the time that they were escapees. Of the 24 individuals on the list circulated by Mr McGinty last week, only 15 were included on the Western Australian list, so it does appear that nine of them were not quite as wanted by the police as Mr McGinty indicated. Had that been the case, the Western Australian police would have passed on the names to Centrelink at the time. It is pretty clear that there has to be that sort of cooperation between state police departments and Centrelink. (Time expired)

Australian Defence Industries: Sale

Senator NETTLE (2.57 p.m.)—My question is addressed to the Minister for Finance and Administration, Senator Minchin. I refer to the recent sale by the government of the former Australian Defence Industries site at
St Marys in Penrith, along with two Melbourne sites, to the developer Lend Lease, a regular corporate donor to the Liberal Party. Can the minister explain why this important public land has been flogged off to big business at the bargain basement price of $165 million?

Senator MINCHIN—Apparently Senator Nettle is an absolute expert on property valuation. Apparently she knows more than professional property valuers, which is intriguing. Yes, the government has sold ComLand to Lend Lease for $165 million. I announced that on 22 January 2004. ComLand, as most senators would know, was formed in 1999 to handle the leftover land from the sale of ADI—the land that was formerly with ADI but was not appropriate to transfer with the sale of that business. It was always viewed that at some point the government would dispose of that land. We are not in the business of being property developers, nor should we be, and appropriately we have got out of that business. I am delighted to have done so and I am delighted that the net proceeds from the sale will go to debt reduction and to reducing the burden on Australians of the massive debts left by the previous government.

We are confident that we got fair value for the land we sold under the auspices of ComLand. We had an independent valuation done by the very experienced property valuation firm Rogers Milne. Their valuation was in the range of $145 million to $168 million, so we believe the price we achieved—$165 million, right at the top of the independent valuer’s assessment of the value of the property—was a very good deal for Australian taxpayers.

We had professional advisers handling this sale throughout the process who recommended that the government did accept that valuation. We have sold it to Lend Lease in an arrangement which does maximise the return to taxpayers, does meet the independent valuation put on it and gets the federal government out of the business of property development, which is a business it obviously should not be in. I think the Labor government in New South Wales does welcome this because there is pressure on housing in Sydney and the development of this land by Lend Lease will help to relieve that pressure. So I think it is a very good deal all round.

Senator NETTLE—Mr President, I ask a supplementary question. I refer to the minister’s media release of 22 January in which he stated that the $165 million price tag ‘considers exposure to residual liabilities arising out of the former use of the sites’. Is this an implicit acknowledgement by the government that it has not fully and comprehensively decontaminated the St Marys site and that future claims may arise out of its former use? Does the government consider that it has a responsibility to the public to ensure that the site is entirely free from contamination risk? What rationale does the government have for not properly decontaminating the land and giving the people of Western Sydney the public parkland that they so richly deserve?

Senator MINCHIN—We did go to enormous lengths to preserve appropriate bushland in relation to this matter. In March 2002 we increased the conservation area at St Marys and placed a further 250 hectares on the Register of the National Estate. Approximately two-thirds of the 1,545-hectare site will be retained as parkland. It will be handed over to the New South Wales National Parks and Wildlife Service for management. We have undertaken everything that was required of us by state and local government in relation to the clean-up of that land. There are certain residual indemnities which will follow through with this sale,
which I do not have before me but which I announced and explained in the press release I issued.

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

MINISTERIAL STATEMENTS
Black Hawk Helicopter Accident

Senator Hill (South Australia—Minister for Defence) (3.02 p.m.)—by leave—A number of senators have asked me for information regarding a Black Hawk accident that occurred today. I can advise the Senate that a Black Hawk helicopter with eight people on board was involved in an accident at the Amberley training area south of Mt Walker. Fortunately, there were no fatalities. However, six of the eight sustained some injuries, mainly lacerations and bruises but one was seriously injured with a broken leg and possible spinal injuries. The aircraft was on a routine military training flight at the time. Next of kin of most of the injured have been advised and others are being advised. The injured have been taken to hospital. Air Force air medical evacuation teams attended the accident together with Queensland Police and the ambulance service. A full accident investigation team has attended, and of course there will be a full investigation. The aircraft was from the School of Army Aviation at Oakey. I am sure all honourable senators join with me in wishing the injured a speedy recovery. This is, despite the highest training standards of the ADF, another illustration of the inherent risks associated with military training and, I suggest, is why we should be particularly grateful for those who serve our nation in this way.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS
Taxation: Family Payments

Workplace Relations: Paid Maternity Leave

Senator Jacinta Collins (Victoria) (3.04 p.m.)—I move:

That the Senate take note of the answers given by the Minister for Immigration and Multicultural and Indigenous Affairs (Senator Vanstone) and the Minister for Finance and Administration (Senator Minchin) to questions without notice asked by Senators Bishop, Collins and Forshaw today relating to family and community services.

The initial report of the work and family interdepartmental task force, a protected cabinet-in-confidence document of December 2002, highlights a number of very informative matters. The first point, which I think was raised in several questions, is that this document is 14 months old and, despite a mixture of very sensible recommendations in this report, what can be highlighted is the absence of any action by this government. I thought it might be useful in taking note to go through some of the history, which again makes very stark the lack of action taken by this government on work and family issues.

The way I like to characterise it is that the Prime Minister has described work and family as ‘the big barbecue stopper’ but he never puts on the gas. Time and time again, he seeks to delude the electorate that this is an area of critical importance but continues to refuse to act. My suspicion is that once the government finally gets around to acting on this—probably in the budget, in the lead-up to an election—working families of Australia will be far too cynical to be easily deluded. These working families are the ones that have suffered year after year under the Howard government while it continues to project an image that it always fails to meet.
Let us have a look at some of the more recent history on this issue. As early as 1995 articles printed by the Australian Institute of Family Studies called for a whole-of-government approach that would also include the states and territories and local government in this area. In fact, some action occurred in September 2002 to a consultation report that recommended to the Commonwealth government that the Minister for Children and Youth Affairs, Larry Anthony, announce that the federal government would begin work on the development of a national agenda for early childhood. Let me reinforce this date: recommended by a government consultative committee prior to September 2002; the government finally announced in 2002 that it would start work on a national agenda; but here we are now in 2004 and we have seen nothing of a strategy or an agenda.

On 20 February 2003 Mr Anthony released the consultation paper *Towards the development of a national agenda for early childhood* and on 22 October 2003 he released a document called *Towards a national agenda for early childhood—what you told us*, and that is as far as the government has got. It spent copious pages telling us what a consultation committee told it back in 2002 and now in 2004 it has again simply elaborated what blind Freddy frankly knows is going on in this area. About two paragraphs in this report highlighted the way forward, which indicated that Minister Anthony at this point in time was to finally get around to talking to the states. Given that the Institute of Family Studies and the consultation committee to the minister previously recommended the importance of engaging state and local governments and of getting a nationally agreed agenda happening, this is an outrage. It is an outrage that all of this is reflected in a cabinet-in-confidence document that is 14 months old and still we have no action.

The only recent action we have had in this area occurred on 5 December, when the government made a bandaid announcement that allowed for no growth in children’s services. Without a national approach to the delivery of children’s services, this money is going to end up being wasted. The government was told back in 2002 in this IDC report that there was a shortage of 30,000 outside-school-hours care places. Finally, in December 2003, it came up with 10,000 places. The outrage is: what is happening to the other 20,000 young school-age children who need care? They cannot wait for an election budget. This government has allowed an extreme situation to occur such that a pent-up level of demand for children’s services is denying our children care. We have the Prime Minister seeking to parade an image that he cares about children. The lack of any action, and the withholding of action until an election budget, is an outrage. He is compromising the children’s services sector. Many of the services are waiting until June to know what their future will be. It is an outrage. (Time expired)

**Senator Chapman (South Australia)** (3.09 p.m.)—What needs to be recognised in relation to this issue is that child care is a very important part of the federal government’s vision for families, particularly with regard to balancing family and work commitments. It is important to recognise that the present government has spent and continues to spend more on child care than any federal Labor government has ever done. For 2003-04 to 2006-07—that is, the next four years—the government has allocated about $8 billion to support child care in Australia, and more than $8 billion has been spent on child care in the last six years in this government’s term of office. That amount is more than double in actual dollars what was spent by Labor in their last six years. Yet they come into this chamber and dare to
criticise the present government for its approach to childhood services.

Since the introduction of the child-care benefit in July 2000, affordability of child care has improved significantly. Families receive an average child-care benefit payment of more than $2,000 a year. The child-care benefit subsidises about 70 per cent of the total cost of child care for low-income families. Families are paying less out of their pockets for child care than they did before. For example, a family earning $50,000 per year with one child in full-time care would have paid about $380 a year more in June 2000—that is, in real terms after allowing for inflation—for fees than an equivalent family today. That represents a significant improvement in the benefit available. Fee data collected annually by the Department of Family and Community Services shows average long day care fees have increased by less than one per cent between 1999 and 2003, going from $192.23 to $194—that is, in real terms adjusted for inflation, an increase of less than $2 a week.

Furthermore, record numbers of children have access to Commonwealth funded child-care places. The number of children using child care has increased by 19 per cent from 642,000 to about 763,000 since the child-care benefit was introduced. The largest increase is in the use of outside school hours care, something to which the senator opposite referred. The number of children using these services increased by 44 per cent, from 125,000 to 180,000, since the introduction of the child-care benefit. The number of Commonwealth funded child-care places and services has increased since this government came to office in 1996. The number of child-care places increased by about 211,000, making a total of approximately 518,000 places across all service types. The largest increase was in outside school hours care, which increased by 158,000. In December 2003 the government also announced a further 10,000 outside school hours care places and 2,500 family day care places. When these new places become operational, there will be over 530,000 approved child-care places.

In terms of the cost to families and the number of child-care places available, there is absolutely no doubt that this government has provided more than any other government with regard to children’s services. The government has also implemented quality assurance systems to ensure that services provide quality outcomes for children. It is also important to reinforce the fact that the child-care benefit has significantly improved child-care affordability and that therefore a greater number of families have access to this benefit. There is no cap on the number of long day care centre places that attract the child-care benefit so opposition claims that numbers have fallen are obviously wrong, and that is demonstrated in the figures I referred to a moment or two ago. There were 160,000 long day care places in 1996 and there are now over 211,000 places, and those numbers continue to grow because of the support they receive from this government.

(Time expired)

Senator FORSHAW (New South Wales) (3.14 p.m.)—I rise to take note of the answers. The Prime Minister likes to portray himself as a friend of the family, a person who is keen to promote greater family values and assistance to families. Of course, the picture that he tries to portray is far different from the reality of his government’s policies and practices. Firstly, I refer to a speech that the Prime Minister gave on 20 November 2002 to the Committee for Economic Development of Australia, often referred to as CEDA. In that speech, entitled ‘Strategic leadership for Australia: policy directions in a complex world’, the Prime Minister went on at length about the policies and priorities of his government. In particular, he said:
We have concluded as a result of a recent assessment that the whole of government priorities for new policy making over the next year and beyond are as follows: national security and defence; balancing work and family life; the demography of Australia; science and innovation; education; sustainable environment; energy; rural and regional affairs; and transport.

With respect to balancing work and family life, he went on:

In my pre-election speeches to the National Press Club ... I identified the problem for families, particularly young families, of balancing work and family life as a key policy challenge.

As my colleague Senator Collins has indicated, the Prime Minister had often referred to this issue as a ‘barbecue stopper’. Following the conference, various policy directions papers were issued by the government. One document on work and family policies, in part, said:

In 2002, the community has been involved in extensive debate about paid maternity leave. The Government is considering the option of a taxpayer-funded scheme of paid maternity leave as just one of the ways it could respond to the many challenges parents face in balancing work and family life.

I interpose there to ask: where is the policy proposal on the taxpayer funded scheme of paid maternity leave? What has happened? The Prime Minister talked about the importance of considering this option. We know, of course, that other ministers—I think Minister Abbott was one—said that this would come in ‘over their dead bodies’. But the Prime Minister held out a promise of a paid maternity leave scheme. We have heard nothing. I quote further from this policy document:

The Government will also be examining the current range of financial supports for families, childcare arrangements, and how the workplace relations system is delivering family-friendly practices.

The Government has established an interdepartmental task force chaired by the Department of the Prime Minister and Cabinet to review all of the options that might better facilitate choice for parents in balancing their work and family lives.

A lot of noble words, a lot of promises, about looking at improving the lot of Australian families, particularly when it comes to balancing family and work responsibilities. But what has happened in practice? For a number of years now, ever since this government changed the methods of calculating the family assistance payment, we have seen hundreds of thousands of Australian families placed into debt as a result of the operation of the family payment system. Today, Minister Vanstone said, ‘It is not a debt; it is an overpayment.’ To those families, it is a debt and increasingly they are having to find the money which they have been overpaid to pay back Centrelink.

A number of situations have been brought to my attention where on a number of occasions families have been advised by Centrelink of changes in their family circumstances. One family—I will not name them—contacted me. They had spoken to Centrelink on five or six occasions to tell them that their children were working and that they should no longer be receiving certain family assistance payments. But they kept getting the payments and eventually they received a debt notice for thousands of dollars. They have now had to negotiate with Centrelink about paying it back. I know the staff at Centrelink are very competent people, but the pressures that they have been placed under because of the stupid policies of this government with respect to those systems of payment are certainly the fault of the minister and this government. (Time expired)

Senator BARNETT (Tasmania) (3.19 p.m.)—I rise to take note of the answers. In response to the first part of Senator Forshaw’s address to the Senate where he said that the Prime Minister portrays himself as a
family man, I agree entirely. That is factual. He portrays himself as a family man because it is real; it is fact. He is a family man. There is no government in the history of this country that has been more pro family than the Howard government. The support that has been offered to Australian families, poor and rich alike, is unprecedented.

Senator Ferris—Hear, hear!

Senator Barnett—Thank you very much, Senator Ferris, for your encouragement. I refer to some of the benefits that have flowed through to Australian families. I am a family man. I have three young children and I love them dearly. I am very thankful to live in this country. I do not take it for granted. It is something that we can be proud of. We have a great nation and the family is the backbone and bedrock of our community. It is something that I will be supporting in my time in the Senate and throughout my political career. Major changes have been introduced in terms of family payments and the workplace relations system.

Let me give you the big picture and look at it in terms of how we support the family. Firstly, with regard to our economic record—and that means low interest rates and low inflation—we have had the lowest interest rates and lowest inflation in a generation and that leads to growth in real wages, it leads to employment and it leads to productivity. Those benefits flow through to families. We have an unemployment rate of around 5.6 per cent from which families are benefiting—the lowest unemployment rate in the last 22-odd years. These facts cannot be denied. In this financial year, the government will allocate an estimated $19 billion in assistance to families. This is a Howard government proud to support to families.

I now want to touch on a couple of those areas where assistance is provided. You have got just over $11 billion in family tax benefit—an increase of around $2 billion a year compared to the previous family assistance system. You have got the child-care benefit of about $1.6 billion. You have got the parenting payment of $5.9 billion. You have got the maternity allowance and maternity immunisation allowance of $220 million and then, of course, you have got the baby bonus, which provides additional assistance to families following the birth of a child on or after 1 July 2001. Isn’t that excellent? Isn’t that a great support for growing families and for families who have children? The Prime Minister has also indicated that, as economic circumstances permit, there may be merits in considering additional support for women when children are born. The government has also allocated $220 million to the Stronger Families and Communities Strategy over the next four years. Those are all initiatives which are very important to acknowledge and in saying, ‘This is what we’re doing to support families.’

The other area of assistance I want to point out is $6 million for research through the Longitudinal Study of Australian Children. I want to commend in particular Larry Anthony, the Hon. Minister for Children and Youth Affairs. Larry Anthony has led the way here. He has been one of the best ministers in this portfolio for a long, long time. He has demonstrated this by action. He has led the way by supporting initiatives to address obesity amongst children and with his recommendation over the summer for after-school care. On that point, I note that the opposition have claimed that we have reduced our funding per place, but in fact there has been a massive increase in outside school hours care. The number of places has increased from 72,000 in 1996 to around 230,000. What Larry Anthony said was: ‘There’s got to be quality assurance. There’s got to be quality control. And, in terms of these kids, why don’t we put more into help-
ing them have a balanced diet and regular exercise?" These are initiatives that I support and they are great initiatives. *(Time expired)*

Senator WEBBER (Western Australia) (3.24 p.m.)—It is all very well for those opposite to talk about the big picture when it comes to payments, particularly payments to families. But no amount of buck passing, no amount of hollow justification, excuses the shameful situation that exists at the very heart of the Centrelink payments problem created by this government. It is simply not good enough. It is not good enough to have prisoners on the run receiving Centrelink payments, as has been revealed recently. The failure of this government to address this problem demonstrates the shallow electoral populism that is at the very core of everything that it does. This government is quite content to ridicule a person on unemployment benefits. It is more than happy to toss the people on disability pensions onto the unemployment scrapheap. It revels in the so-called merits of its Work for the Dole scheme—a scheme that leads to no real long-term employment solutions. But this government is also prepared to sit back and do nothing about escaped prisoners receiving Centrelink payments.

Of course we get the line from the government that this is actually a state problem, that it is up to the states to chase escaped prisoners. I will accept that; that is true. But these escaped felons are in receipt of Centrelink payments gained by fraudulent means, and that is a Commonwealth problem. Put simply, the Commonwealth has the responsibility to ensure that fraud is not committed against the Centrelink payments system—not the state governments but the Commonwealth government. The states are doing their part by informing Centrelink—as has been conceded by the government—of the identity of these escapees. But is Centrelink doing their bit? Where is the government who will do something to correct this injustice? It is missing in action as usual. This government wants the Australian people to believe that it is someone else’s responsibility to ensure that people who are not entitled to Centrelink payments—that is, escaped criminals—do not receive them. This situation is high farce.

The Australian people, fortunately, are not that susceptible to being misled by this government. The Australian people understand that Centrelink uses Commonwealth money—provided for by Commonwealth legislation—to support other members in our community. The Australian people also understand that escaped felons are not in fact entitled to Centrelink payments. Whose responsibility is it then? Who is charged with the responsibility to ensure the integrity of the Centrelink system? Who is charged to ensure that the Centrelink system is adequately resourced? The Australian people understand that it is actually the Commonwealth government’s responsibility.

But what do we get from this government? We get platitudes, we get ‘let’s talk about the big picture’, we get excuses and we get ‘blame another administration’. This government, and this government alone, cannot on the one hand run around telling Australians how wonderful its economic management is when on the other hand it cannot even get simple payments right. The headline grabbers that are part of this government, which is willing to put the boot into welfare recipients whenever it pleases, are now prepared to sit there and pretend that they are not responsible for the fact that criminals are receiving money that they are not entitled to. Those on the other side are quite happy in fact to prosecute to the fullest extent anyone else except, if we can believe it—and we have to, because the government has confirmed it—fugitives from justice. All that money that has been spent over the years
on improving Centrelink systems, all that money spent on data matching with other agencies, all those extra resources poured into the Centrelink payment system, all that boasting in the press from those opposite, and yet they allow this fundamental abuse, this corruption of the system, even when the states provide the government with the information that is necessary to fix the problem.

It is simply not good enough. It is time for the minister and for this government to fix this fundamental problem, rather than blame everybody else in the entire system. It is not good enough to come in here and say—in my case—that it is the Western Australian government’s fault, when the government has confirmed that the minister in my state has given it the information it needs, but there are still people receiving Centrelink payments that they are not eligible for—(Time expired)

Senator STOTT DESPOJA (South Australia) (3.29 p.m.)—I thank colleagues for allowing me to take the sixth spot today, as no-one else from the minor parties is here. In speaking on the motion moved by Senator Collins I would like to address some of the issues raised by Senator Minchin and Senator Amanda Vanstone in response to questions by the opposition today. Work and family policy is shaping up to be a big issue in this election campaign. Arguably it is the single largest domestic policy issue that the major political parties have failed to deal with adequately over the past few election periods, and certainly when in government. Today we heard claims by Senators Minchin and Vanstone that this government had done things to assist Australians with the work and family balance, but one outstanding issue remains. There are many things that this government could do, but Australia lags behind the rest of the world in that we are still one of only two OECD nations that fail to provide working women with a paid maternity leave scheme.

I was very encouraged to hear questions from the opposition today in relation to maternity leave, and I hope that we will hear some specific policy announcements from Mr Latham shortly. But, as it stands, there is only one piece of legislation on the Notice Paper that relates to the implementation of a national paid maternity leave scheme for Australian working women, providing 14 weeks paid leave at the minimum wage. Today we heard reports about the cabinet-in-confidence document. We heard about the Sex Discrimination Commissioner’s proposals. Indeed, I am very pleased to see that the proposals that emanated from that inquiry, held by Pru Goward, ended up endorsing—emulating—the same model that the Australian Democrats put to the parliament in the form of a private member’s bill.

Contrary to what was said by the ministers today, it is possible to provide a paid maternity leave scheme in Australia for less than the cost of the baby bonus. The government’s regressive baby bonus we know now is not working; it is an abject failure. It favours wealthy women, wealthy households, and it rewards women who take more time out of the work force. All the messages and all the principles there are wrong. We should be implementing a scheme that prevents discrimination against women and that allows bosses, allows workplaces, to retain some of their most productive employees—more and more of whom are women. We should meet international standards. We should provide for that biological imperative that women should stay at home and spend some time with their child. They should have the option of spending a minimum of 14 weeks with their child on the birth of that child. That is what we should be doing.
A scheme costed by the Australian Democrats was for $352 million. The Sex Discrimination Commissioner has done some costings, which include retaining family and other payments that are currently provided. Under the scheme, which would essentially be universal, it can be done for $213 million per annum. How does that compare to what is already on offer, the ad hoc scheme for the baby bonus that this government came up with—I think the Prime Minister himself came up with it—in the 2001 campaign? It is estimated that in its third year of operations you would be looking at about $500 million per annum and still rewarding wealthier women and not women in those lower- to middle-income socioeconomic groups who need the money.

Two-thirds of Australia’s working women cannot access any form of paid maternity leave. I know there is unpaid leave on the books, and that is good—women fought very hard to get that—but two-thirds of Australia’s working women cannot get it. So you have women going back to work a week after caesareans, you have women losing their jobs, you have women being discriminated against and you have families putting off having a second child because they cannot effectively balance work and family commitments and, in particular, the need for a second income.

We have had enough rhetoric, enough talk. We have looked at the bill in committee. So let us vote on it, or at least let us see in this budget some action from this government that has failed women. Successive governments have done it. Other parliaments around the world have legislated for paid maternity leave. For goodness sake, let us do it. In 2004 it is ridiculous that Australia is one of those two OECD countries—the US being the other—that does not acknowledge all of the key issues in relation to maternity and the special role, that important and valuable role that we all talk about, that is motherhood. Let us reward it. Let us adequately look after it and let us ensure that the burden does not fall to small business alone but is shared by government and business. (Time expired)

Question agreed to.

GOVERNMENT ADVERTISING

Return to Order

Senator HILL (South Australia—Minister for Defence) (3.32 p.m.)—by leave—This order to produce documents arises from a motion moved by the Leader of the Opposition in the Senate, Senator Faulkner, and Senator Murray that was agreed by the Senate on 29 October 2003 relating to agency advertising and public information projects. The purpose of making a statement today is to make it ahead of estimates committee hearings next week. The government has been and continues to be committed to transparency in government advertising and public information projects and has worked to provide the Senate with comprehensive information through mechanisms such as the Senate order on departmental and agency contracts, commonly called the Murray motion, through agency and departmental annual reporting arrangements and through the gazettal of contracts on the Internet.

The scrutiny of government by the Senate through questions on notice and Senate estimates hearings are also important ways in which details of particular and topical issues are made public, and the government continues to support these approaches as important methods of accountability to the parliament, particularly where the public interest is served. These mechanisms allow detailed information about the cost of government advertising campaigns to be made publicly available. Government support for these mechanisms has seen a high level of compli-
The order also seeks an opinion as to whether campaigns comply with guidelines to government advertising recommended by the JCPAA in its report No. 377 of 4 October 2000. Those guidelines were the subject of dissent within the committee on the grounds that they would require inter alia that officials would have to make assessments as to whether or not advertising material was liable to misrepresentation as party political. The government has not adopted these guidelines and continues to observe the ‘Guidelines for Australian Government Information Activities’ that were adopted by the previous government in February 1995. The government continues to support a broad approach which allows detailed scrutiny and accountability but avoids duplication and unnecessary complexity and cost. Therefore our position is that the existing levels of scrutiny should continue and will be underpinned by the former government’s 1995 guidelines in relation to implementing government communication activities. I thank the Senate.

COMMITTEES
Treaties Committee
Report: Government Response

Senator HILL (South Australia—Minister for Defence) (3.38 p.m.)—I present the government’s response to the report of the Joint Standing Committee on Treaties on its inquiry into the Statute of the International Criminal Court, and I seek leave to incorporate the document in Hansard.

Leave granted.

The document read as follows—

JOINT STANDING COMMITTEE ON TREATIES
INQUIRY INTO THE STATUTE OF THE INTERNATIONAL CRIMINAL COURT

Recommendation 1
The Committee recommends that, subject to other recommendations incorporated elsewhere in this report, Australia ratify the Statute of the International Criminal Court (Paragraph 3.8).

Accepted. Australia ratified the Statute of the International Criminal Court (ICC) on 1 July 2002.

Recommendation 2
The Committee recommends that Clause 3 (2) of the International Criminal Court Bill be amended to read:

Accordingly, this Act does not affect the primacy of Australia’s right to exercise its jurisdiction with respect to crimes within the jurisdiction of the ICC (Paragraph 3.32).

Accepted. The ICC Statute is based on the principle of complementarity, and the Government considers that this principle is a vital safeguard to the interests of States that are Parties to the ICC Statute.

The Government amended the statements of the principle of complementarity in section 3 of the International Criminal Court Act 2002 and section 268.1 which has been inserted into the Criminal Code by the International Criminal Court (Consequential Amendments) Act 2002 to better reflect Australia’s position on the principle of complementarity.

Recommendation 3
The Committee recommends that Section 268.1 (2) of the International Criminal Court (Consequential Amendments) Bill be amended to read:

(2)(i) It is the Parliament’s intention that the jurisdiction of the International Criminal Court is to be complementary to the jurisdiction of Australia with respect to offences in this Division that are also crimes within the jurisdiction of that Court.

(ii) Accordingly, this Act does not affect the primacy of Australia’s right to exercise its jurisdiction with respect to offences in this Division that are also offences within the jurisdiction of the ICC (Paragraph 3.34).
Recommendation 4
The Committee recommends that the Government of Australia concur with the preamble of the Statute which notes that it is the duty of every State to exercise its criminal jurisdiction over those responsible for international crimes and that the International Criminal Court established under this Statute shall be complementary to national criminal jurisdictions.

The Committee further recommends that, in noting the provisions of the Statute of the International Criminal Court, the Australian Government should declare that

• it is Australia’s right to exercise its jurisdictional primacy with respect to crimes within the jurisdiction of the ICC, and

• Australia further declares that it interprets the crimes listed in Articles 6 to 8 of the Statute of the International Criminal Court strictly as defined in the International Criminal Court (Consequential Amendments) Bill (Paragraph 3.37).

Accepted. The Government made a declaration on ratification of the ICC Statute setting out Australia’s understanding of the principle of complementarity, how that principle has been applied in the International Criminal Court Act 2002 and Australia’s interpretation of the crimes in the ICC Statute.

Recommendation 5
The Committee recommends that the International Criminal Court Bill and the International Criminal Court (Consequential Amendments) Bill be introduced into Parliament as soon as practicable subject to consideration of recommendations elsewhere in this report (Paragraph 3.50).

Accepted. The International Criminal Court Bill 2002 and the International Criminal Court (Consequential Amendments) Bill 2002 were introduced into Parliament on 25 June 2002 and passed on 27 June 2002.

Recommendation 6
The Committee recommends that:

• the Australian Government, pursuant to its ratification of the Statute, table in Parliament annual reports on the operation of the International Criminal Court and, in particular, the impact on Australia’s legal system; and that

• these annual reports stand referred to the Joint Standing Committee on Treaties, supplemented by additional Members of the House of Representatives and Senators if required, for public inquiry.

The Committee envisages that, in conducting its inquiries into these annual reports, it would select a panel of eminent persons to provide expert advice (Paragraph 3.57).


Recommendation 7
The Committee recommends that the Attorney-General review clauses 268.13 and 268.58 pertaining to the crime of rape in the International Criminal Court (Consequential Amendments) Bill 2001 and harmonise the definitions with the approach taken in the Elements of Crimes paper in a manner consistent with Commonwealth criminal law (Paragraph 3.60).

Accepted. The Government amended the definitions of rape in clauses 268.14, 268.59 and 268.82 (previously 268.13, 268.58 and 268.81) of the International Criminal Court (Consequential Amendment) Act 2002.

Recommendation 8
The Committee recommends that the Attorney-General review the legislation to ensure that the responsibilities required under Article 27 of the Statute are fully met either in the proposed bills or in current applicable legislation (Paragraph 3.63).

Accepted. The Government amended the definitions of rape in clauses 268.14, 268.59 and 268.82 (previously 268.13, 268.58 and 268.81) of the International Criminal Court (Consequential Amendment) Act 2002.
which may attach to the official capacity of a person, whether under national or international law, shall not bar the Court from exercising its jurisdiction over such a person.

Australian law does not provide for any immunities or special procedural rules for persons based on their official capacity, other than those required by our obligations under international law, for example the Vienna Convention on Diplomatic Relations, implemented in the Diplomatic Privileges and Immunities Act 1967.

The ICC Statute recognises the existence of these obligations and provides in article 98 that “(t)he Court may not proceed with a request for surrender or assistance which would require the requested State to act inconsistently with its obligations under international law with respect to the State or diplomatic immunity of a person or property of a third State, unless the Court can first obtain the cooperation of that third State for the waiver of the immunity.” This provision is reflected in section 12 of the International Criminal Court Act 2002 which the Committee has reviewed.

The International Criminal Court Act 2002 and other Australian legislation fully meet Australia’s responsibilities under articles 27 and 98 of the Statute.

In addition to dealing with immunities attaching to official capacities, paragraph 3.62 also referred to the legislation articulating “a position on the statute of limitations”. There is no time limitation for the commencement of a prosecution for an offence against a law of the Commonwealth for which the maximum penalty is imprisonment for more than 6 months (Subsection 15B(1) of the Crimes Act 1914).

**Recommendation 9**

The Committee recommends that the Attorney-General ensure that the International Criminal Court (Consequential Amendments) Bill does not limit the jurisdiction of Australian courts with respect to crimes under Part II of the Geneva Conventions Act 1957, for the period between 1957 and the commencement of the proposed legislation. The Committee further recommends that the Explanatory Memorandum for the proposed legislation state clearly how coverage of these crimes for the intervening period is to be provided (Paragraph 3.65).

Accepted. This situation is covered by section 8 of the Acts Interpretation Act 1901 and this has been explained in the Explanatory Memorandum for the International Criminal Court (Consequential Amendments) Bill 2002.

**Recommendation 10**

The Committee recommends the Attorney-General review Subdivisions H, D and E of the International Criminal Court (Consequential Amendments) Bill to ensure consistency in the definition of offences (Paragraph 3.68).

Accepted. The Government has reviewed the crimes contained in Subdivision H with a view to removing those crimes that duplicate crimes contained in Subdivisions D and E. A series of duplicate crimes were deleted from the Exposure Draft of the International Criminal Court (Consequential Amendments) Bill, namely clauses 268.95, 96, 98, 99, 102, 103, 104 and 107.

**Recommendation 11**

The Committee recommends that Attorney-General review the International Criminal Court Bill and the International Criminal Court (Consequential Amendments) Bill in relation to the matters listed in paragraph 3.67 [sic] of this report (Paragraph 3.70).

The matters referred to in paragraph 3.69 are:

“A number of other issues were raised in evidence, which are presented here with the purpose of alerting the Attorney-General’s Department to these issues, when it reviews the proposed legislation before its presentation to the Parliament. These were:

1. there should be time constraints on issuing arrest warrants—cl 21 and 22 of the ICC Bill are deficient because they do not impose time limitations like those under Article 59 of the Statute;
2. that cl 102 be amended to extend privileges and immunities to ICC officials not named in Article 48(2) of the Statute;
3. that in defining torture as a war crime the consequential amendments bill has...
the effect of broadening the crimes ambit rather than following the approach in the Statute;
4. the need for consideration of Australia’s commitment to the minimum age for conscription, which is set at 15 under the Statute and the consequential amendments bill, although Australia’s commitment under the Convention on the Rights of the Child sets the age at 18 years;
5. that there is adequate protection in the legislation to ensure persons are not held on remand for unduly long periods when they are charged for ICC crimes;
6. that there is adequate provision under the legislation for legal aid within Australia and some similar provision under the Statute where a case is heard by the ICC; and
7. that the passage of legislation relating to the proceeds of crime (the Proceeds of Crime Bill 2002 and the Proceeds of Crime (Consequential Amendments and Transitional Provisions) Bill 2002) currently before the Parliament, will not have a major impact on complementary clauses in the final ICC legislation.”

[numbers added for ease of reference]
Noted. The Government has considered the issues raised by the Committee.
1) Article 59 does not contain any time limits on the issue of arrest warrants. It obliges Australia to “immediately take steps to arrest the person”. The Government does not consider that any amendment to clauses 21 and 22 of the International Criminal Court Bill 2002 (now sections 20 and 21 of the International Criminal Court Act 2002) is warranted.
2) The privileges and immunities of officials of international organisations are dealt with in regulations under the International Organisations (Privileges and Immunities) Act 1963. Now that Australia has ratified the Statute and the Acts have been passed, the Government will make regulations to provide privileges and immunities to the officials identified in Article 48 of the Statute. The Assembly of States Parties has adopted the Agreement on the Privileges and Immunities of the Court, which extends privileges and immunities to a wider range of officials than Article 48. The Government is currently considering becoming a Party to the Agreement on the Privileges and Immunities of the Court.
3) The definition of “torture” as a war crime in the International Criminal Court (Consequential Amendments) Act 2002 is drawn strictly from the definition of the war crimes of torture in the Elements of Crimes paper. The Government therefore does not agree that this definition broadens the ambit of these crimes beyond the Statute.
4) In developing the crimes contained in the International Criminal Court (Consequential Amendments) Act 2002, the Government has drafted the provisions to mirror the definitions of crimes in the Statute and the Elements of Crimes paper to take full advantage of the principle of complementarity. Accordingly, the Act criminalises the conscription of children under the age of 15. This is consistent with the Convention on the Rights of the Child, which obliges Australia to take all feasible measures to ensure that children under the age of 15 do not take a direct part in hostilities.

The Government is aware that the Optional Protocol to the Convention on the Rights of the Child on the Involvement of Children in Armed Conflict prohibits the conscription of children under the age of 18 years. Australia signed the Protocol on 21 October 2002 and is currently considering ratification. The definitions of crimes in the International Criminal Court (Consequential Amendments) Act 2002, for the purposes of complying with Australia’s obligations under the Statute and the principle of complementarity, do not represent a Government position on a minimum age for the conscription or use of children in armed conflict, or on ratification of the Optional Protocol.

The Defence Instruction promulgating the Australian Defence Force’s compliance with the terms of the Protocol was jointly signed by the Chief of the Defence Force and the Secretary of Defence on 28 June 2002. The Government will bring the matter of Australian ratification of the Protocol before the JSCOT.
5) If a person is arrested in Australia and charged with an offence under Division 268 of the Commonwealth Criminal Code, then that person will be subject to the same laws governing the holding of that person on remand as any other person who has been arrested and charged with a serious Commonwealth criminal offence.

If a person is arrested in Australia at the request of the ICC so that the person can be surrendered to the ICC and charged with an ICC crime, then the holding of that person on remand is governed by Division 3 of Part 3 of the International Criminal Court Act 2002. If a person is arrested pursuant to a request from the ICC for provisional arrest, then a magistrate must release that person after 60 days unless a request for surrender has been received or the magistrate is satisfied that a request for surrender will be received within a specified period (section 26). A person who is arrested has the right to apply for bail (which may be granted in special circumstances) (section 23). The Attorney-General also retains a general discretion to order that a person be released from custody (section 25). The Government considers that these provisions properly balance Australia’s obligations under the Statute with the need to ensure that persons do not spend unduly long periods on remand.

6) Where a person is charged in Australia with a crime in Division 268 of the Criminal Code (which was inserted by the International Criminal Court (Consequential Amendments) Act 2002), then that person will have the same rights to legal aid as any other person charged with a Commonwealth criminal offence.

Section 185 of the International Criminal Court Act 2002 allows a person who is involved in proceedings before a magistrate regarding detention under that Bill to apply to the Attorney-General for legal assistance.

Article 67 of the Statute sets out the rights of an accused person in a trial before the ICC. These rights include, in paragraph (1)(d), the right to legal assistance including the right “to have legal assistance assigned by the Court in any case where the interests of justice so require, and without payment if the accused lacks sufficient means to pay for it”.


The new provisions replaced Division 14 of Part 4 and Part 11 of the Exposure Draft of the International Criminal Court Bill. Because of the revised structure, there is no longer any requirement for amendment to the Proceeds of Crime Act 1987 (the International Criminal Court Act 2002 contains all necessary provisions) and Schedule 6 of the Exposure Draft of the International Criminal Court (Consequential Amendments) Bill was deleted.

Senator LUDWIG (Queensland) (3.38 p.m.)—by leave—I move:

That the Senate take note of the document.

The Joint Standing Committee on Treaties report on the International Criminal Court was tabled in parliament on 14 May 2002, nearly two years ago. Since that time, I have left the treaties committee and gone on to different committees—it has been that long. In that time great progress has been made in establishing the ICC. Its judges and prosecutors have been elected and the necessary structures and procedures of the court are being laid down. In the first year after the ICC statute came into effect the court received nearly 500 communications from non-government organisations and individuals in 66 countries. The Chief Prosecutor of the court, Mr Luis Moreno-Ocampo, has indicated that he is monitoring closely the situation in the Ituri region of the Democratic Republic of Congo, about which he has received several communications from non-government organisations and individuals. These reports tell of massive human rights abuses against civilians, including arbitrary
executions, rape, child sexual abuse, sexual slavery, torture and mutilation. The prosecutor stands ready to seek the authorisation of the pre-trial chamber to commence an investigation. A key factor in any decision will naturally be the ability and willingness of the new national government to bring the perpetrators to justice and prevent further abuses.

More recently, the ICC received a reference from Uganda about activities of the Lords Resistance Army in the north of that country—the court’s first communication from a state party in fact. According to reports received by the prosecutor, and it is worth quoting what he said:

... the situation has resulted in a pattern of serious human rights abuses against civilians in the region, including summary executions, torture and mutilation, recruitment of child soldiers, child sexual abuse, rape, forcible displacement, and looting and destruction of civilian property.

The prosecutor is now gathering the information needed to determine whether to seek authorisation to conduct an investigation into the Ugandan situation. These two examples illustrate not only the potential of the court in bringing to an end violence and restoring peace but also the strong information gathering and decision-making processes in place to enable the court to determine when it is appropriate to act. So it can be seen that considerable work has been done in the international arena to make the International Criminal Court a reality.

By contrast, the actions of the Australian government in that time have been disappointing. Despite its longstanding leadership role in the international campaign for the establishment of the court, Australia is not represented among the judges or prosecutors of the ICC nor is it likely for some years to gain any of those positions. Australia is represented on the court’s committee on budget and finance, and it is good to see this contribution of Australian expertise, but it must be said that that falls far short of the Howard government’s stated goals of securing the election of a judge or prosecutor. Similarly, it has been disappointing to observe the Howard government’s unquestioning willingness to negotiate an immunity agreement with the United States that would prevent the surrender of American nationals to the court. It is difficult to see how it is in Australia’s national interest to undermine the multilateral framework of the court in this way. Our alliance with the United States does not require it. Indeed, for some time the United States was a signatory to the ICC statute. No explanation has been forthcoming from the Prime Minister, the foreign affairs minister or the Attorney-General for the government’s decision in this regard. It seems that, in the case of the International Criminal Court—as in so many other areas—an independent Australian foreign policy is nowhere to be seen. It is also surprising that it has taken the government nearly two years to come up with a response to the report of the joint committee on the ICC statute. This is particularly so as the government substantially accepted and implemented the recommendations of the committee when it amended the International Criminal Court bills almost two years ago.

I now turn briefly to the issue of the proposed immunity agreement with the United States. It is interesting to note that the government acknowledged in its response to committee recommendation 8 that article 98 was inserted into the Rome statute to enable states to continue to uphold their existing obligations under international law—for example, those relating to diplomatic privileges and immunities. This is consistent with the view of article 98 expressed by, amongst others, the Law Institute of Victoria. No doubt a debate will be had when any article 98 in fact surfaces. There is a strong body of expert legal opinion that article 98 was intended to enable states to continue to uphold
their existing obligations, and it is interesting to note that the government’s response is consistent with that view. A further concern raised by the government’s response is the apparent lack of commitment by Australia to the international agreement on the privileges and immunities of the court. This agreement was opened for signature back on 10 September 2002 and will remain open for signature until 30 June this year. It has been signed by 44 countries but not by Australia. At the second assembly of state parties in September last year, the president of the court said:

I call as well on the cooperation of States Parties regarding the Agreement on Privileges and Immunities …

And it goes on:

… essential to the proper functioning and integrity of the Court. Without privileges and immunities, the personnel of the Court will have great difficulty acting outside the Host State. I therefore ask all States Parties to support the work of individuals and personnel of the ICC through the signature and ratification of the Agreement.

The document tabled today states that the government is still considering whether to become a party to that agreement. It is very disappointing that, having once been a leader of the International Criminal Court, Australia now seems to have become a follower. Are we to see a repetition of the farce which surrounded Australia’s ratification of the Rome statute itself when, thanks to infighting in the coalition, our instrument of ratification was deposited on the last possible day? Once again we seem to be limping over the line at the back of the pack. In conclusion, while we welcome the tabling of this response, we are surprised at the time it has taken to arrive and record our concern at the government’s continuing retreat from Australia’s traditional position of leadership on the International Criminal Court.

Question agreed to.

**DOCUMENTS**

**Audit-General’s Reports**

*Report No. 28 of 2003-04*


**BUDGET**

**Portfolio Additional Estimates Statements**

*Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Reconciliation)*  (3.46 p.m.)—I table four portfolio additional estimates statements for 2003-04. Copies are available from the Senate Table Office.

**COMMITTEES**

**Rural and Regional Affairs and Transport Legislation Committee**

*Senator HEFFERNAN (New South Wales)*  (3.46 p.m.)—I present the report of the Rural and Regional Affairs and Transport Legislation Committee *Australian Wool Innovation Limited: Application and expenditure of funds advanced under Statutory Funding Agreement dated 31 December 2000*, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

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

Leave granted.

*Senator HEFFERNAN*—I move:

That the Senate take note of the report.

During consideration of the 2003-04 budget estimates of the Department of Agriculture, Fisheries and Forestry in May 2003, the committee raised concerns about the admini-
stration of Australian Wool Innovation and its compliance with the statutory funding agreement with the Commonwealth. The committee adopted an inquiry under standing order 25(2)(b) so it could explore these concerns.

The committee invited comment from a number of key individuals and organisations, and sought submissions by advertising in the national press. Four public hearings were held by the committee, and it heard evidence from the Department of Agriculture, Fisheries and Forestry; WoolProducers; AWI’s founding managing director, Mr Col Dorber; and former AWI board members. Key concerns addressed in the report include the appointment by the chair of Australian Wool Services of the founding managing director of AWI; the delays in finalising the inaugural strategic and operating plans; the direction of the AWI and its management highlighted in project management and accountability controls; and the department’s oversight of the newly created AWI.

In response to these issues raised in evidence, the committee has made a number of recommendations. Perhaps the most significant of these is the question of whether AWI used company money to campaign for sitting directors during the 2002 board election, in breach of Corporations Law. This should be referred to the Australian Securities and Investments Commission. Concern was also expressed during the inquiry that certain AWI operations and projects were not within the terms of the statutory funding agreement. The committee recommended that compliance with statutory funding agreements be pursued by the department. The committee’s examination of the issues also resulted in a recommendation that the statutory funding agreement be amended to clarify the definition of ‘agripolitical activity’. Finally, the committee examined how AWI and the department have responded to these issues, leading to a recommendation that before a new statutory funding agreement is agreed the minister should review the effectiveness of the remedies for breaches of the agreement that are currently available through the Wool Services Privatisation Act 2000.

In conclusion, the committee’s inquiry did reveal matters of grave corporate governance that disturbed it. It hopes its recommendations, if implemented, will contribute to an environment where such matters will not occur or, if they do, they can be readily identified, rectified and addressed. I would also like to place on the record my appreciation of the contributions made by my colleagues on the committee and the work of the secretariat, in particular Mr Geoff Dawson. I have to say that getting this report to the chamber, given what has happened with our computers in the last couple of days, has been a bit of a nightmare for everyone at the secretariat. I especially thank Mr Geoff Dawson for his contribution.

**Senator CHERRY** (Queensland) (3.50 p.m.)—This inquiry was about the administration and operation of the statutory funding agreement between the Commonwealth and AWI and the expenditure and application of funds under that agreement. It was not supposed to be an exercise in denigrating former or current employees or directors of AWI. While I am happy to sign up to the recommendations in the committee report touching on the public administration issues raised by AWI’s brief history and the recommendations referring the evidence to relevant authorities for investigation, I am not happy to sign up to the sweeping conclusions that reflect adversely on the performance of individuals based on incomplete evidence.

For that reason, I have declined to support the conclusions made by the committee in chapter 4—particularly paragraphs 4.45, 4.57 to 4.59, 4.79 to 4.83, and 4.154 to 4.158. The
conclusions reached by the committee may or may not be correct, but I do not believe that the committee has taken sufficient evidence to draw such broad conclusions on the performance of AWI or its directors. To make findings based on incomplete evidence affects the credibility of the committee’s report, leaving its report unbalanced and the committee vulnerable to assertions of being a kangaroo court. Natural justice and due process should dictate that the committee should either complete its investigations or make no adverse findings. Having said that, I believe that it is not in the public interest or the interests of AWI or wool growers to have the allegations and counterclaims left unresolved. In my report, I make a recommendation that a proper, genuine, independent review should be conducted into the various claims made to this committee, with full access to AWI records and current and former AWI directors and staff.

This inquiry has become the latest forum in the long fight between the two ‘camps’ in the wool industry. On one side have been the WoolProducers organisation and the new board of AWI; on the other side have been the ‘rebel’ wool growers in the Australian Wool Growers Association—AWGA—and the old board of AWI. The events referred to in this report cover the period leading up to and following the hotly contested board elections of 2002, which resulted in wool grower-shareholders splitting roughly evenly between the two camps.

AWI was established as a separate subsidiary on 1 January 2001, with a formal demerger effected on 30 April 2002. As 2002 progressed, relations between AWI and WoolProducers, clearly deteriorated. The board found itself criticised in the rural media, with one former director referring to the ‘extraordinary, untrue and vindictive comments from a minority of shareholders and the rural press’. Representative organisations and individuals spent $45,000 to support the WoolProducers preferred candidates for the AWI board elections held in late 2002, particularly in gathering the names of the five per cent of shareholders necessary for nomination. As the election approached, the campaign by WoolProducers against AWI’s board continued. WoolProducers President, Simon Campbell, was quoted in the Financial Review as saying:

We believe there has been a consistent failure on the part of the current executive team to observe standards of transparency and accountability that is required of a body that is charged with spending the tax on wool producers.

The board sought to respond to these continuing attacks; but, in doing so, it appears to have crossed the line of using company funds to support its own re-election as opposed to defending the company’s good name.

Other wool grower organisations, including the Australian Wool Growers Association and the Australian Association of Stud Merino Breeders, remained strongly supportive of the board’s direction. In the end, wool growers split down the middle in supporting and opposing the old board of AWI. At the 2002 AGM, six former directors attracted slightly higher support among growers than the WoolProducers team, averaging 3,460 votes per director—51 per cent—compared to 3,324 votes for the five challengers—49 per cent. However, when the formal poll was counted with votes weighted for wool tax payments—that is, with larger producers receiving more weight—support for the former board fell to an average of 220,597 votes, falling further to 214,872 if the director backed by both sides was deleted. Support for the new board members averaged 247,932 votes.

I have been very critical of the weighting of votes in agri-political organisations, which are based effectively on the size of farm.
Given such polls concern the collection and spending of compulsorily collected funds, it is the Democrats' firm view that one vote-one value principles should apply to elections of agricultural bodies, including Dairy Australia and Meat and Livestock Australia.

The assertions of corporate governance failings have not ended with the election of the new board in 2002. Indeed, several submissions to this inquiry have made various assertions against the current board’s management as well, covering expenditure decisions such as support for the Wool CRC, the protection of intellectual property, and the 5 June 2003 letter to shareholders. These matters should also be investigated by the independent person I referred to earlier.

The Democrats firmly believe that public bodies should adhere to the highest standards of corporate governance and public administration. As the main committee report highlights, the ‘hybrid’ public-private model used for AWI, and which was earlier used for Meat and Livestock Australia, raises some concerns in a public administration and accountability sense. Many of these issues were canvassed in AFFA’s June 2002 report on corporate governance of portfolio bodies and are considered in detail in chapter 7 of the committee’s report.

The Democrats believe that AFFA should have acted more energetically and earlier in establishing clear lines of accountability, reporting and consultation. The recommendations in this report will help clarify the proper relationship between the Commonwealth and ‘hybrid’ producer bodies and ensure that proper accountability for compulsorily collected levy funds to the Commonwealth parliament is more apparent in the future.

I commend the recommendations to the Senate and urge the government to adopt them in full in redrafting of the statutory funding agreements with AWI and other hybrid bodies. Like the chair of the committee, I commend the work of the secretariat that produced this report in a very difficult period.

Senator O’BRIEN (Tasmania) (3.56 p.m.)—I too commend the work of the secretariat in the compilation of the report titled Australian Wool Innovation Limited: Application and expenditure of funds advanced under Statutory Funding Agreement dated 31 December 2000. It was a difficult task for the Senate Rural and Regional Affairs and Transport Legislation Committee, but I am certain that it was doubly difficult for the secretariat. I endorse the remarks of Senator Heffernan in that regard.

By any measure, this is a damning report. It identifies an episode of mismanagement by an important rural industry services body established by this government. All the recommendations of this report, as I understand it, were unanimously endorsed. It also identifies yet another episode where the current Minister for Agriculture, Fisheries and Forestry, Mr Truss, has failed to protect the interests of farmers in a key rural sector. It is clear from much of the mismanagement and abuse of the authority within AWI that it need not have occurred.

The inquiry clearly established that Mr Truss was given a clear warning of major problems brewing within the company, but he failed to act. We do not know whether that failure is attributable to incompetence or negligence on the part of the minister, but it is almost certainly one or the other. This inquiry also established the minister’s failure to ensure that his department had the resources required to properly oversee this private industry service body. It is important to recognise that AWI and similar bodies enjoy substantial income from compulsory industry
levies and consolidated revenue in the form of matching R&D payments.

This inquiry has exposed problems with the formal relationship between these private companies and the government. In relation to AWI at least, the inquiry revealed that the inadequate obligations imposed by the government through a statutory funding agreement and inadequate government oversight exposed levy payers and taxpayers to unnecessary risk. This inquiry would not have been necessary if Mr Truss had done his job.

On 4 February 2002, the industry organisation WoolProducers wrote to the minister raising concerns about a number of AWI activities. They raised six areas of concern, the first four of which related to particular matters and the last two related to general management of the company. I will comment on the last two matters raised in that correspondence. The first general matter concerns performance measurement and the transparency of the company’s operations. WoolProducers said in part:

It is critical that transparent and readily available information is provided to levy payers before the next wool poll.

And further they stated:

[WoolProducers are concerned that AWI has released in public are contradictory, confused and inconsistent.

The government imposes a compulsory levy on wool growers and hands levy funds to AWI. It is a tax in all but name. The government has a clear responsibility to ensure that levy revenue is expended in a manner consistent with the interests of growers—no ifs, no buts. Growers told Mr Truss that they could not find out how their levy money was being spent, and he failed to act on those concerns. That was a clear breach of his responsibilities as minister.

The second general matter raised by WoolProducers in their letter went to the administration of the company. WoolProducers told Mr Truss:

Woolproducers are concerned that appropriate accountability and a system of internal controls have not been put in place by the Board of AWI. They also said:

[T]here is great concern among members that substantial funds are able to be expended by the CEO without full knowledge of the Board.

The statutory funding agreement between this company and the government demands appropriate accountability and internal controls. The minister was handing this company $55 million collected from wool growers and $16 million collected from Australian taxpayers. He was told that there were inadequate accountability and control systems in place and he did not act. This was not an internal problem for the company, as the department suggested to the committee. This was clearly a problem for levy payers and, importantly, it was a problem for taxpayers as well. It was a direct and immediate problem for the minister.

I want to go to the view of the committee on this matter. The committee is of the view that both these matters require the minister’s urgent attention. It is important to make the point that this is not a view held by just Labor; it is a view held by the whole committee. The committee finds in part:

Any concern that there was no effective accountability through the board to both the minister and levy payers and that there was no system of internal controls in place should have been quickly and fully investigated.

This represents a serious lapse on the part of Mr Truss. It echoes many other lapses for which this most incompetent minister is responsible: his failure to properly manage the US beef quota and the commercial damage suffered by many exporters that resulted; his failure to ensure that the single desk for wheat was properly monitored by the Wheat
Export Authority, even after he had been told it did not have the capacity to do its job; and his gross mishandling of the Cormo Express fiasco, which resulted in mass animal mortality, terrible financial cost for sheep producers and a massive loss of public confidence in the live export sector—all of this after he had been told years before by his own expert group to clean up the industry.

It is worth noting that these disasters were created by Mr Truss but fixed by others. It has been the Prime Minister’s office, Senator Heffernan, Senator Ferris and this committee that have sorted out these problems—not the minister. Senator Heffernan and Senator Ferris should take a cut from Mr Truss’s pay packet. I can see Senator Heffernan smiling, but certainly they have earned it. As for Labor, we will be content when the member for Corio, Mr Gavan O’Connor, is in the minister’s chair before the year is out.

I want to go to some of the recommendations arising from this inquiry. The committee is of the view that the question of whether the former AWI management and board breached the Corporations Act by funding a campaign for sitting directors should be referred to the Australian Securities and Investments Commission. The committee formed the view that the expenditure of this money was improper. In forming this opinion we relied in part on the advice from the Australian Government Solicitor that it was probably a breach of the Corporations Act. Mr Truss must pursue this matter. The committee also recommended that Mr Truss should consider referring to ASIC other potential breaches of the Corporations Act by AWI. We noted that the minister’s department has obtained advice from the Australian Government Solicitor on possible breaches of the statutory funding agreement or the Corporations Act. These are important recommendations with potentially serious consequences, and the minister should act upon them urgently.

This inquiry has highlighted a number of problems in the government’s preferred industry service model. The committee is of the view that all expenditure by these private companies should be spent in accordance with the terms of their statutory funding agreements. That is a view Labor hold very strongly. We think that the minister should direct his department to pursue compliance and other reports pursuant to all statutory funding agreements. We are also recommending that Mr Truss review the remedies available to him if there are breaches of statutory funding agreements. The committee recommends that all statutory funding agreements should include a requirement mandating that expenditure is consistent with the strategic plan, the operational plan and the research and development guidelines. In Labor’s view there is a need to revisit all statutory funding agreements, with the view to incorporating these changes.

Some of these recommendations sound a lot like instructions to the minister to do his job, and that is precisely what I think they are meant to be. Most of the problems that have been exposed by this inquiry may well not have happened if Mr Truss had done his job. If he had responded to the issues raised by wool producers at the beginning of 2002, the flaws and mismanagement exposed by this committee would not have occurred. On this one, the buck well and truly does stop with the minister.

**Senator SANDY MACDONALD** (New South Wales) (4.04 p.m.)—Australian Wool Innovation Ltd, AWI, is the wool industry owned R&D company and was formed out of the R&D components of the previous Australian Wool Research and Promotion Organisation. Its formation came flavoured with all the problems that the wool industry
had faced in the 1990s, with the wool stockpile and low prices. The industry was completely demoralised by the time the stockpile had been sold, and among the many reforms was the privatisation of the commercial aspects of the common owned property, like Woolmark. This became part of Australian Wool Services. The R&D element became Australian Wool Innovation. The initial AWI board and its appointed management was responsible for the period of time that this Senate inquiry has investigated.

The report gives a very solemn picture of the operation of the McCaskill board, which was dominated by Mr Col Dorber, the CEO. The October 2002 annual general meeting confirmed that the shareholders of AWI were not happy with the existing situation. They were concerned with corporate governance, how the compulsory industry contributions were being spent and how the federal government’s R&D contribution provided under the MOU was also being spent. It is on the basis of these apparent irregularities that the Senate inquiry was set up. The new board elected in 2002, headed by Ian McLachlan, has systematically addressed the problems of corporate governance. The evidence of prior incompetence was not a pretty sight, and I do not think that there is any good point in bringing those irregularities to public attention again, as they have been well addressed and are well known through the rural media’s coverage of the Senate inquiry. They are identified in the Senate report.

The priority now is to build the best foundations for Australia’s great primary industry, the wool industry. There are 60,000 growers out there. They are spread right across the sheep and wheat belts of Australia. It is a primary industry that probably has the greatest influence on regional Australia. Why? Historically, farmers have found that if the wool industry is strong it takes pressure off the grain market and it takes pressure off the beef market. It tends to be the industry that spreads its tentacles the broadest right throughout regional areas. Of course many of the small towns that rely substantially or partly on wheat to keep them economically viable very often were towns that started because of the spreading wool industry.

It is now time to look to the future because this is still an important industry; it is a very large export earner. And the McLachlan board is looking to the future. It has appointed a new CEO and new management and it has conducted the 2003 Wool Poll to determine the wool grower contribution. As you may be aware, Australian wool growers pay a research and development levy which is two per cent of the sale price received for shorn greasy wool. In 2002-03 wool growers invested just over $62 million in wool research and development. The federal government matches wool grower investment in R&D projects capped at 0.05 of the industry’s gross value of production. In 2002-03 the federal government contributed $16 million to AWI’s activities.

Australian Wool Innovation is a company that has a budget of around $80 million a year. It is a very important company. It is owned and controlled by growers; they pay a compulsory levy for it. It has done some fantastically interesting work over the years. The priorities that have been set by Ian McLachlan, his board and his new managing director indicate that there is a lot of enthusiasm for the task ahead. I commend the new board and the new management. I make the final point that as of 30 June last year approximately 200 projects were active, ranging from small feasibility studies to major projects. The R&D portfolio is well balanced, with an equal split of expenditure between on-farm and textile research. All projects have been chosen on the basis of their ability to provide a return on investment to
wool growers and the industry, and that is the real key to it. There is a lot of money involved in these projects and they are selected on the basis of their ability to provide a return on investment to wool growers and the industry. It is an important industry. It is very important to Australia, to the people who work in it and to communities in regional Australia. This Senate inquiry revolves around a rather sorry time in the history of the AWI and the finalisation of a particularly bad period for the industry in terms of their prices and returns. But we are talking about the future and enthusiasm for the future, and we are going to get that enthusiasm from suggestions that come out of the Senate inquiry. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

BUDGET
Consideration by Legislation Committees
Additional Information
Senator HEFFERNAN (New South Wales) (4.10 p.m.)—On behalf of the chairs of the Employment, Workplace Relations and Education Legislation committee and the Environment, Communication, Information Technology and Arts Legislation Committee, I present additional information received by the committees relating to the supplementary hearings on the budget estimates 2003-04.

DOCUMENTS
Aboriginal and Torres Strait Islander Commission
Senator O'BRIEN (Tasmania) (4.11 p.m.)—by leave—I move:

That the Senate take note of the document.

I wish to take note of a statement to parliament, pursuant to section 43 of the Aboriginal and Torres Strait Islander Commission Act, lodged by Senator Vanstone and tabled by the Clerk. Senator Vanstone’s office was good enough to allow me to become aware of the contents of the statement prior to tabling and I thank her and her office for that courtesy. I must say that having read the statement I wonder why it was not available to be tabled on Monday. The consequence of tabling that now is that this matter will continue effectively until near enough the end of March—a matter which is quite destabilising for the ATSIC board, the board that administers Indigenous matters on a national basis for Indigenous Australians. I query the reason for its delay until so late in the week, the effect of which will further delay the consideration of this matter and the procedure which has to be followed in relation to the suspension before this parliament.

One thing that must be noted from the statement is that Minister Vanstone conceded in the statement that the first suspension—that is the suspension of Ms Clark put in place by Minister Ruddock on 13 August—was no longer appropriate. That is probably because the appeal process which had followed the original Clark conviction had rendered that suspension inappropriate and probably invalid—but I guess that is a matter for the courts to determine. Ms Clark has been suspended since 13 August. The implication of the continuation of the suspension is that ATSIC will continue to be denied certainty in its leadership until at least the end of March. If Ms Clark’s appeal succeeds, the implication of the minister’s grounds for the new suspension are that she will continue the suspension nevertheless. That is, there are three alternative grounds for the suspension, only one of which is the actual conviction. So, if Ms Clark’s conviction is overturned, in the minister’s terms his conduct in obstructing police and/or his commission of the offence of obstructing police may well be relied upon to continue the suspension.

In the circumstances, I invite the minister to clarify her intention because she has advised Mr Clark that she would not act to pro-
ceed to termination pending his appeal process, yet the suspension document has the actual conviction as only one of three grounds for the suspension. I am concerned that the minister appears to pretend, in those circumstances, to be concerned about the outcome of the appeal. I would ask the minister to clarify that matter. Will, for example, she commit to the revocation of the suspension if Mr Clark’s conviction is overturned or if the already moderate penalty for the offence is further moderated on appeal?

The only other thing I would propose to say at this time is that, if the minister is not prepared to give that assurance, she ought to commit to proceeding to the next step—that is, to proceed to dismiss Mr Clarke from office immediately the requirements of section 40(3) of the act have been met. If there is no intention to lift the suspension—or even if the conviction is overturned and she intends to rely on other grounds to continue the suspension—that would be extraordinary because, if those grounds disappear, I would have to say the grounds for the minister’s action appear to be very fragile. Indigenous Australia deserves to have this matter resolved quickly to allow its national body to get on with the job under its legislation, with restored certainty about its leadership. I seek leave to continue my remarks.

Leave granted; debate adjourned.

TRADE: FREE TRADE AGREEMENT

Senator CONROY (Victoria) (4.16 p.m.)—What a pleasure to find you in the chair, Mr Acting Deputy President Macdonald. I cannot think of a more appropriate person to preside over this particular debate—

The ACTING DEPUTY PRESIDENT (Senator Sandy Macdonald)—I look forward to hearing what you have to say.

Senator CONROY—because, as the facts become clear and the colour drains from your body, everyone will be able to see from here.

The ACTING DEPUTY PRESIDENT—Would you like to move your motion, Senator Conroy?

Senator CONROY—Certainly. I move:

That the Senate—

(a) expresses great concern that the Howard Government has sold out Australian sugar growers;

(b) notes that:

(i) the expected gains from the trade deal with the United States of America (US) are based on unrealistic assumptions, and

(ii) the US offered a better deal on agriculture to Chile, El Salvador, Guatemala, Honduras and Nicaragua; and

(c) has referred the trade deal with the US to a select committee for thorough examination to assess if it is in Australia’s national interest.

What a week it has been! I am sure, like me, Senator Macdonald, you were up at four o’clock in the morning on Monday, eager to see the outcome of the much acclaimed, much talked about, much struggled over free trade agreement. And I know you would have been up at four o’clock because it is very important to your constituents—

Senator Heffernan—Milking the cows.

Senator CONROY—If you were up at four o’clock in the morning, Senator Heffernan, I do not think you would have been milking cows. But I am glad that you are here as well, as one of our farmers—

Senator Heffernan—Because you are going to demonstrate you know nothing about this. You will regret it and do a flip-flop eventually.

Senator CONROY—as one of our farmers, Senator Heffernan, I value your views on
this and I hope you break the record in this chamber by standing up and speaking for a third time in one day. It would be a miracle, I know. It has taken them a good 12 months or so to let you speak in public again after your last effort, but I am pleased to see you are back. I am pleased to see you are back in black.

I am very pleased to see that you have just recently been down in Tasmania looking at trees, Senator Heffernan, and that you have the concerns of all of Australia—and farmers—on your mind. You have been grubbing around with the conservationists and the greenies down in Tasmania, chatting to them about preferences. So I am pleased to see you here listening to the debate and I am hoping you take the opportunity to talk. But, as I said, it has been a long week—since four o’clock on Monday morning—to get all the details. I rushed to Minister Vaile’s web site and I pulled down all the details that he had on his web site announcing this historic event—and it was a page, a big healthy page of information, which can only be described as complete spin because, of course, this government did what it is very good at doing. You have got to give it credit for its discipline and its media management.

**Senator Heffernan**—When were you up at four o’clock?

**Senator CONROY**—I was.

**Senator Heffernan**—Did you use half flush or full flush?

**Senator CONROY**—Senator Heffernan, you may be interested in people’s toilet habits; I am not. The one page put out by Minister Vaile was a PR masterpiece but, in the world of the Internet, I was not just constrained by the 500-page document being summarised down to a one-page press release by Minister Vaile; I was able to access the web site of Bob Zoellick, the US trade negotiator, as well. I was at least able to get 12 pages of information—it is a little bit more detailed—so I was able to look at the claims and counterclaims that made up this deal. What always worried Labor about this deal was that it was going to be rushed. As those who have been involved—and I am not someone who has been involved in a lot of trade deals—advised me, most trade deals take up to two years on average. They usually involve about 12 rounds of negotiations.

When you have a situation like we had here, where the deal was rammed through in just on 12 months with only six rounds of negotiations, you have to start to worry that a few corners have been cut, a few bushels have been dumped and that a few avocados are going to rot on the vine because they are not going to be able to get into the US, except when they tell us we can send them. So you have got to worry about something that has been rushed through in this period. What we discovered upon reading even the pathetic attempt at spin by Minister Vaile is that he has not delivered a free trade agreement. He has not actually delivered free trade, particularly for those constituents—and I know you care about these, Senator Macdonald, and occasionally you do, Senator Heffernan— in the farm community, the agricultural community and their products. Mr Zoellick’s web site says:

All U.S. agricultural exports to Australia, totalling more than $400 million, will receive immediate duty-free access.

So what are the two key points he wants to boast about? They are: all US agricultural products and immediate duty-free. Now that looks like a free trade deal! But what did we get at Australia’s end?

**Senator Heffernan**—Subject to quarantine.

**Senator CONROY**—We will get to quarantine. But what did we get from Minister Vaile? We get ‘substantially improved ac-
cess’ for Australia’s agricultural sector. More than 66 per cent of agricultural tariffs will go to zero from day 1 of the agreement and in three or four years time another nine per cent. Let me just do my maths. Yes, that is 75 per cent in four years time—and we have got free trade?

What about the other 25 per cent of agricultural products that we export to the US? I have been copiously going through the statements made by Minister Vaile, the department and all the negotiators—every skerrick of information from the press releases put out by Mr Vaile, Mr Howard and Mr Costello, all the champions of this deal—trying to find out about Australia’s other 25 per cent of agricultural products.

Senator Heffernan—Are you in favour of the deal or not?

Senator CONROY—What about the other 25 per cent? Unlike you, Senator Heffernan, I am going to wait till I have read it before I decide whether I support it. Have you read it?

Senator Minchin—I thought you were opposed to it.

Senator CONROY—Senator Minchin, have you read the deal? Have you seen the deal? You have not, have you? How embarrassing, Senator Minchin! You have not read the deal; you have just been told to go out and say what a great deal it is. Senator Heffernan, I know they would not let you read the deal, so you have not read the deal. There is a chance they might have let you, Senator Macdonald. Feel free to nod from the chair that you have read the deal. You do not have to intervene. I know, as Acting Deputy President, you preside over the debate, but you can nod. There is no nod, so we can conclude that Senator Heffernan has not read the deal, Senator Macdonald has not read the deal and Senator Minchin has not read the deal, but they say it is a bloody good deal! That is what I enjoy about parliamentary democracy—informed debate!

Unlike those opposite, the Labor Party’s position is that we will not decide until we have read the deal, until we have submitted it to some critical analysis—got the experts in and not the galahs in the peanut gallery—and tested it. We will subject it to an assessment by a few economists doing a few economic models—really radical stuff like that!

Senator Minchin, you say you know what is in the deal as opposed to having read the deal. You say 75 per cent in four years is free trade, but what about the other 25 per cent of products? Are they getting free access? The US is getting 100 per cent free access immediately for all its products. Is Australia getting 100 per cent access for all its products—ever? What is the story, Senator Minchin? Let us in on the secret. Are 100 per cent of Australian agricultural products going to get free access to the US market? Just tell us yes or no. We can get a 75 per cent out of Minister Vaile. There is deafening silence. For those who are reading this Hansard in the future, we have deafening silence.

Senator Minchin interjecting—

Senator CONROY—I cannot pass final judgment because I have not read the deal yet, but it seems to me we do not get 100 per cent.

Senator Heffernan—Mr Acting Deputy President, I rise on a point of order. Senator Conroy is misleading the parliament, because he has already said that this is a lousy deal, and it is on the record.

The ACTING DEPUTY PRESIDENT (Senator Sandy Macdonald)—There is no point of order.

Senator CONROY—The silence, the non-nodding and the whole ambience of this debate suggest to me that we do not get 100 per cent free trade for all our agricultural
products—unlike the US, which got 100 per cent free trade for all of its agricultural products. When the government started boasting before the deal was signed about how much of a benefit it would be to Australia—Senator Heffernan, that is a benefit to all of Australia—it was $4 billion. Remember that $4 billion—the number that shall not fall from your lips this week? It was up to $4 billion in benefit. I am looking forward to one of your speakers in this debate committing themselves to the $4 billion figure. After embarrassing themselves on Monday and Tuesday, Senator Hill and Senator Ian Macdonald ran for cover on the $4 billion. What did we get in its place? We got Senator Macdonald telling us, ‘This is the deal that is going to give us big bucks.’ I have just glanced around and I have noticed ‘Rollover Ron Boswell’—welcome to the chamber for the debate!

Senator Boswell interjecting—

Senator CONROY—Welcome, ‘Rollover Ron Boswell’! We are very pleased to see you. We are very pleased to see that a National Party person is actually going to find their feet and discover that they have not found their backbone and stood up for farmers. I will be looking forward to your contribution and I will be watching it closely, Senator Boswell.

What did we discover, despite the best efforts of Minister Vaile to cover up with a one-page press release at four o’clock in the morning? This deal completely leaves out sugar, despite the leader of the National Party and the Deputy Prime Minister of this country saying that it would be un-Australian to sign this deal without sugar. People have kept talking about flip-flop—I mean, fair dinkum, how rich is that? John Anderson two weeks ago said it would be un-Australian to sign this deal and now he is an avid supporter of it without sugar. And this mob want to talk about flip-flop on policy! I mean, really, Senator Macdonald. It is a little embarrassing to see the hypocrisy of the Liberal and National parties trying to pretend that somebody else has got an inconsistent policy position, when we have said one thing and one thing all along in this debate: if it is a good deal for Australia, Labor will recommend it.

On the surface, if you compare the paltry piece of information from Minister Vaile with the more substantive claims and boasts from the US, there are many question marks about this. And just because John Howard, the master of ‘kids overboard’, the master of weapons of mass destruction, stands up and says, ‘This is in Australia’s national interest; it is a good deal,’ we do not necessarily believe him and most Australians will not believe him. You have already dumped—flip-flop—the $4 billion benefit from 48 hours ago. But not yesterday or today. It is $4 million one day and the next it is ‘worth big bucks’. ‘Enormous,’ says Senator Hill; ‘Substantial,’ says the Prime Minister; ‘Huge,’ says Senator Minchin. Just show me the money. Just point to the money.

Senator Heffernan—you have not said a substantive thing in this debate!

Senator CONROY—Just show me the money, Senator Heffernan. Just show us the benefit. Tell us—that is all you have to do. It is very simple: if you are so proud of this deal and if you think it is so good for Australia and in Australia’s national interest, all you have to do is commit now to submit it to two independent organisations that are experts in the area of economic modelling and understand all the concepts, two organisations that have already taken an interest in this—the Productivity Commission and the IMF. These are two organisations that could not possibly be considered closet lefties and socialists from the Labor Party. Just submit it
to them. Model the agreement—get the IMF to do it and get the Productivity Commission to do it; it is easy. You are confident that there are big bucks in this; let us put it to an independent test.

We were told consistently, ‘Australia has a special relationship with the US. We’re going to get the best possible deal from the US because the Prime Minister has a special relationship with Dubya.’ But what did we find upon getting the deal? Just today in the papers we have seen Minister Vaile being forced to admit that this is the smallest and slowest US agricultural offer ever made in a bilateral trade agreement. ‘Smallest and slowest’ offer by the US are not my words—and yet we have got ‘a special relationship’! The US have done a number of these over the last couple of years. Minister Vaile has admitted that Nicaragua, Honduras, El Salvador, Guatemala and Chile all got a better deal than we got out of the US—and we have got ‘a special relationship’! Can you imagine how good a relationship the Nicaraguans must have with the US to have got a better deal than us. Guatemala and Honduras must be just about living in the White House with President Bush to have got a better deal than us—because we have got ‘a special relationship’! I would hate to have a bad relationship with a man that would deliver a deal like this.

Senator Heffernan—What about a bit of detail in your speech?

Senator CONROY—Detail? You have produced a one-page press release and you want to talk about detail! It is a 500-page trade document. Yesterday the Senate passed a resolution asking for the deal to be tabled in parliament. We saw a press conference in the US: there they were shaking hands, leaning over a document entitled ‘US-Australia Free Trade Agreement’. So we said, ‘Can we have the document?’ We were told, ‘There isn’t a document.’ What were they signing—a piece of cardboard? It was just a stunt: there is no US free trade deal available; it was a piece of cardboard with a pretty picture on the front. If not, just put it on the table. Get Minister Vaile to table it in the House of Representatives and Senator Hill to do it here—if it exists. So do not talk to me about detail, Senator Heffernan; you have produced one page and 72 hours later—

Senator Heffernan—What? You’re just reading the six-page document that confirmed it. You’re just reading the six-page document from the other side that says it exists.

Senator CONROY—Yes, I have got the claims in a press release from Ambassador Zoellick.

Senator Heffernan—You say it doesn’t exist, but he says it does.

Senator CONROY—So we have got a one-page document, and Senator Bill Heffernan wants to talk about detail! You have got to admire his hide; you have got to admire these cockies and their hide. Really! So where have we got to? We have got back to the $4 billion. Why did the government walk away from the $4 billion? Why are they now not trying to pretend there is a $4 billion benefit in this deal? Is it because Senator Boswell has gone in there, knocked them over and said, ‘Just a minute—we can get a better deal.’ No, it certainly is not that. It is because the man who authored the study that produced the ‘up to $4 billion’ figure has actually gone public and said, ‘Well, actually I modelled it on 100 per cent free trade.’ That would be 25 per cent more free trade than you have delivered in this deal. Then you look at some of his other assumptions in the financial services sector, which has had minimal protection previously and little change under this deal, and you find that even he has said there is a whole series of
unders and overs that you have to look at and recalculate to get any sensible number on that US agreement. We really should get away from that $4 billion estimate: the author of the $4 billion estimate has dumped it; no wonder this mob have had to dump it.

An alternative model was done and the government tried to suppress it. The government commissioned two studies, not just the one that you have heard about. Then they spent three months trying to suppress that one because they could not afford it to get out, because the author of the other study, Mr Greg Cutbush, said this. This debate is easily fixed. Why don’t the government get their modeller, CIE, to do it again? I can tell you it would be very embarrassing. If you get the government’s favourite modeller, who produced the $4 billion figure, and you let it plug in all those dodgy assumptions that it plugged in last time and you say, ‘Here’s the FTA—go and model that,’ what will you get? It is easy—just do it. But Ross Gittins has said that, assuming the deal goes ahead, you will need a microscope to see the difference it makes to our economy, as the Howard government’s own studies show. So much for the significant benefit, the huge bucks—a microscope will be needed to find them.

Interestingly, when you want to talk about agricultural product—and I am glad Senator Boswell, Senator Heffernan and Senator Macdonald are still here—note what David Bassanese says in the Australian Financial Review:

One big worry is that the agreement suspiciously opens up exactly those areas where America stood to gain the most and it keeps closed those areas where—you guessed it—we stood to gain the most.

That is right, because this mob lost their nerve and delivered a free trade agreement for 75 per cent of agricultural products and left 25 per cent out—(Time expired)

Senator BOSWELL (Queensland—Leader of The Nationals in the Senate) (4.36 p.m.)—One of the things that defeated Mr Crean is that if we said ‘right’ he said ‘wrong’, if we said ‘left’ he said ‘right’ and if we said something was good it was automatically opposed. People judged him accordingly and said that he did not really have many ideas; he was just opposition. Unfortunately, I see Mark Latham going down the same path. No deal is ever perfect but you must ask the question: overall is the deal better than not having any deal at all? Overwhelmingly it is. We have hooked up with the biggest economy in the world and we have access to 75 per cent or whatever the number is of their agricultural products. If the Labor Party continue to do this, they are going to be right back where they were in the polls, and I will give them about six weeks.

Everyone in agriculture who has put out press releases has said that it is a good deal. Even the sugar industry, which did not do well—I am the first to acknowledge it and I do acknowledge it—has come forward and said, ‘We don’t have a dog in the manger attitude; we know overall it is a better deal for Australian agriculture and we’re not saying if we can’t have sugar we should have nothing.’ That is a very generous statement from the cane growers. They know that Australia and agriculture are overwhelmingly better served with this trade deal.

You can never go into a debate on trade or get a trade deal where you get everything 100 per cent right. It just does not happen. Senator Cook might tell you that. He has been on the road to Doha for the last 20 years and he has advanced about half an inch. So we have cut through the red tape and got a very good deal with the Americans—the largest economy in the world.
What were we to do with industries such as aquaculture and seafood? We have made a fantastic deal—$20 million just on the tuna industry alone, which is one part of the seafood industry. We had a plus for the horticulture industry and the removal of the tariffs on quota in the beef industry. We have a 370,000-tonne quota, if I am not incorrect.

Opposition senator—378,000.

Senator BOSWELL—I am corrected. We had a 378,000-tonne quota and immediately the five per cent tariff comes off. That is a huge win in itself. We have never filled that quota, bar once, but we may fill it now because the quota does not have a tariff on it. Were we to dump the cereal industry, the packaged fruit industry, the peanut industry and the dairy industry? We could not say, ‘If you don’t give us everything, we’ll take nothing. We’ll dump on all these industries.’ The dairy industry is in dire straits, probably in just as much strife as the sugar industry, but you want to walk away from the dairy industry, the fishing industry and the horticulture industry because we did not get 100 per cent.

Opposition senator—And the lamb industry.

Senator BOSWELL—And the lamb industry and the sheep meat industry. You go out and try to sell that in any of the seats! Do not think that there is only sugar in sugar seats. There is everything in sugar seats: dairying, beef, the lot. You think you can go in and say, ‘We didn’t get 100 per cent; you can stick it up your jumper; we’re not going to take anything.’ You think that is going to be successful for Australia, whereas $1 billion, $2 billion, $5 billion or whatever it is, is better than what we had by a long shot.

Mr Acting Deputy President, you know that I am a Queensland senator and you know that I have been associated with the sugar industry from almost the time that I got here. I got the tariffs on when the embargo was lifted. I stood by the sugar industry when the Labor Party tried to remove the tariffs. I got and maintained the single desk. I have stuck with them all the way through and I will continue to stick with them. I know the bitter disappointment that they are suffering over this. I understand that. I feel for them. I can understand what they are going through. They had expectations like a drowning man grabbing for something to sustain him. That is what they are like out there, just trying to hang on.

I can say to them, ‘Help is on the way. You have got the attention of the Prime Minister and the Treasurer. You have got the attention of the Deputy Prime Minister. He knows that you didn’t get what you should have got in a free trade agreement.’ The Deputy Prime Minister is totally committed to helping the sugar cane industry and he realises that there are so many things that depend on this industry. There are towns that depend on this industry. There are 25 mills in Australia. Many of those mills form the towns: Proserpine, Sarina and the mills down in northern New South Wales. He knows that we just cannot go and buy sugar growers out of the industry because there will be no critical mass. He understands that the industry must be sustained but not unprofitably sustained. We do not want to keep people in poverty but we want to give them a fair break. Out of adversity opportunity is created and they have the greatest opportunity to reorganise their industries not only to produce cane and sugar but to produce ethanol, bioplastics and electricity cogeneration, and we are going to give them a leg up to get there.

Senator Jacinta Collins—A sweetener.

Senator BOSWELL—We are going to give them a sweetener because they have worn the pain for everyone else’s gain. We
recognise that it is an industry that has supported not only Queensland but also the whole of Australia over a great number of years. It contributes $4.7 billion a year into the Australian economy directly and indirectly. It underpins the economies of these smaller towns. If we just remove the sugar industry and get them into pineapples or whatever, it will not work, because a mill has to be crushing at least two million tonnes or 1½ million tonnes depending on the size of the mill. We recognise this. We recognise the pain that they are going through and we are going to stand by them. The Prime Minister has been in contact with the cane growers and he has invited them down here to present their ideas to him on what they need in a package. That cannot be more generous.

Senator George Campbell—What about the workers in these times? Are you going to look after them?

Senator BOSWELL—Exactly. Senator Campbell raises a great point: are we going to look after the workers? Of course we are going to look after the workers. I do not think many of them vote Labor but we are certainly going to look after the workers. We could close the mills down now. We could pay out the sugar growers and say, ‘Get out,’ but that would leave the workers in the mills without a job, and we are not prepared to do that. We are not prepared to walk away from the mills, we are not prepared to walk away from the towns and we are certainly not prepared to walk away from the workers in those mills. We are going to sustain the industry in the best possible way we can.

There is one other thing I want to address, and I addressed it with the minister responsible. There is a rumour, perpetuated by the ALP, that the deal was signed up before the end of the election. Let me put this on the record, because it needs to be put on the record. Mr Vaile tidied up the deal around four o’clock on Sunday morning. But the deal was not finalised until the Prime Minister and George Bush talked, and the Prime Minister used every IOU he had to include the sugar industry. That took place in the very early hours of Sunday morning. But Senator Conroy wants us to go over to America and say: ‘We have abandoned sugar. Don’t worry about that. We can’t get sugar so we won’t mention it.’ When you are negotiating a deal—and you would know this, Senator Campbell, because you have negotiated many hard deals—

Senator George Campbell—And some terrific ones!

Senator BOSWELL—And some terrific deals in the union; I would believe that. You
must have, to get here. But when you go over you hang on to every part. You hang on to everything. You do not surrender any point. You go in there fighting, arguing and sustain- ing the argument for sugar until all else fails. You do not come out here and say: ‘We’ve cut you loose. We’re not going to fight for sugar.’ Sugar was fought for to the nth degree. It went past Mark Vaile and Zoellick. It was picked up by the Prime Minister and he fought for it to the end.

Senator George Campbell—And what did your leader say a month ago?

Senator BOSWELL—My leader said, ‘We must fight—

Senator George Campbell—He said it was un-Australian to sell them out.

Senator BOSWELL—He said it was un-Australian to sell them out, and we are not selling them out. Not for one minute are we selling them out. We—the National Party and the sugar industry—have been part of each other’s industries for many years. We will not sell them out. We will not walk away from them in their time of need. We realise that they need a free kick and we will give them that. I just want to say that it is not only agriculture that thinks this is a good deal. The various industries that employ many unionists think it is a great deal. The sporting community thinks it is a great deal. Raytheon thinks it is a good deal. You could say that the Australian Chamber of Commerce are on our side.

Senator George Campbell—They are ticket holders.

Senator BOSWELL—They might be. The Ford company thinks it is an excellent deal.

Senator George Campbell—It is an American company!

Senator BOSWELL—They employ a lot of your members. The Federation of Auto- motive Product Manufacturers is another major employer of your people, who are unionists. If they do not think it is a good idea then they have not got jobs for your workers or unionists.

Senator George Campbell—Go and talk to them privately and see what their views are.

Senator BOSWELL—I am not going to talk to Mr Cameron, your left-left-left wing—

Senator George Campbell—Talk to the manufacturers and they will tell you what their real views are.

Senator BOSWELL—The Federal Chamber of Automotive Industries—they are the people who make all the cars in Australia, for your information—employ probably the greatest number of your workers. They think it is a good deal because they can employ more of your workers, and you will get more union fees. Holden is another major employer who thinks it is a good deal. The only people who do not think it is a good deal, as far as I can see, are the sugar industry—and I can understand that and they will be compensated—and the ALP. Everyone else thinks it is a great deal to be hooked up into the largest economy. Everyone sees it as a great advantage, but not the ALP. They can always see the negatives. I want to close on this: there is disappointment in the National Party in the sugar seats. I understand that and I say to them: ‘Keep your head and we’ll get you out of trouble. We’ll stand by you, as we always have over the last 80 years. We’ll be there at your side.’

Senator RIDGEWAY (New South Wales) (4.52 p.m.)—I also rise to speak on this motion that has been proposed this afternoon which specifically focuses on the question of agricultural trade and the fact that it seems that Australia has agreed to a substantive deal in the free trade agreement with the
United States, one that does not significantly benefit our farmers in the way that the government has been assuring us that it would. I want to address these issues in my remarks but I also want to take the opportunity to speak about the trade deal and the Senate’s approach to it more generally. Obviously, we have an interesting period ahead of us once we finally get to see the text of the agreement. Only then can it be analysed and assessed to determine whether on balance it is in the national interest.

The term ‘national interest’ is thrown about willy-nilly in this debate. The government claims to be acting in the national interest—even with the so-called ‘tough decisions’—and the opposition screams that it has been sold out. The bottom line is that we really do not know what has been decided. It has been laughable that every day this week in parliament we have heard ministers coming in time after time trumpeting the values of this deal and not one of them, as Senator Hill mentioned yesterday, has read the text of the agreement. So they do not know what is in it. A lot of it is speculation, a lot of it is based on the rhetoric that is put out by this government and certainly by the trade representatives of the United States, and there is a vast gap between what is being said in all of the press statements. So determining what is in Australia’s national interest, in my mind, is going to require careful and thorough examination of the terms of the agreement, extensive consultation with the key groups and the stakeholders and, I think, a balanced and a reasoned assessment of the likely risks and benefits that the agreement might bring to our country. I think it is critical to remember that the national interest has to be much more than merely economic considerations, and that is about the only thing we have heard this week. Wide-ranging trade agreements such as the FTA will of course have an effect on every facet of our economic, social and cultural framework, so we have to be careful about weighing up what has been given away against what has been won.

The focus of the ALP and the Greens this week, in my mind, has been wrong. Carrying on in a hysterical fashion about the FTA, swearing to veto it at the first opportunity, is not a constructive way to approach this debate. I think we need to keep our heads and fulfil the essential role that the Senate plays, and that is to facilitate scrutiny, debate, careful analysis and decisions made in the best interest of the nation. I think we should also keep this debate in perspective. Others in this place will go on and on as much as they like but the simple fact of the matter is that we do not have an opportunity to vote the agreement down in its entirety.

The Democrats wish that were different. We firmly believe in the importance of parliamentary approval of treaties and we have believed in that for many years. My former Senate colleague from New South Wales Senator Vicki Bourne repeatedly called on the government and the ALP in opposition to support us in our bid to have greater parliamentary involvement in the treaty-making process. This is where the Democrats have demonstrated that we are the only party with a properly reasoned approach to this issue. We have consistently maintained that we are not anti free trade per se but we are mindful of the need for fair trade. We will be applying the fairness test in this particular case. We have consistently argued that the parliament should have a role and we will seek to exercise it. We are also mindful of the need for a careful balancing of the different objectives that will arise out of this major agreement.

There are of course areas of particular concern. Whilst there has been a lot of propaganda and misinformation in this debate over the past week, what has been made
clear is that the agreement has fallen far short of the government’s original list of key objectives. By their own admission we do not have as good a result as they had hoped. In particular, the question of better access to US markets for Australian farmers has produced a disappointingly mediocre result. I want to speak briefly about agriculture later in my remarks—and my colleague Senator Allison will talk about the issue of the sugar industry—but before I get to that there are several areas that we are concerned may have been compromised in a desperate attempt to secure a better deal for our farmers.

The Democrats have been on the record consistently throughout the past year speaking out in support of a need to protect essential social policies that have seemed at risk as the government pursued its single-minded mission of securing a good deal for agricultural trade. Areas such as public health and pharmaceuticals, the protection of Australian content in our media, quarantine and environmental protection, and the provision of essential public services must be maintained. But very little of the debate is being devoted to those areas of concern other than to the PBS. The government needs to prove that they will be maintained. Coming in here and talking about the rhetoric and not showing the detail is simply not enough. We cannot take the rhetoric seriously without the detail, particularly given the grave inconsistencies between what the government is telling us and what the Americans are saying. There has to be concrete reassurance that these essential social policy areas have not being compromised in order to give farmers greater access to the US market.

If there are compromises, there has to be a very good reason why we should accept them. There has been extensive discussion over recent days about the outcome the government has achieved with respect to agriculture in this agreement. What was supposed to be one of the primary motivating factors for this agreement in the first place—better access for Australian farmers—has not been achieved if you simply look at the rhetoric that the government has been promoting. Numerous agricultural lobby groups have expressed their disappointment this week, and the sugar industry, of course, has been entirely excluded from the deal. It is not enough to turn around and say, ‘Let’s come up with some industry assistance package to assist the farmers,’ as some sort of sweetener. To me that sounds a little bit like those diet pills you take: they are not really getting much in the process. It is not really going to fatten up the industry; it is just something to quieten the argument that is going on. The modest improvements for beef and dairy and the increased access for horticulture, sheep meat and wool do not seem to justify the government’s joyous declaration that it has secured a great deal for this country. This was supposedly such a critical factor in the negotiations, for which we are now expected to consider it is worth making sacrifices in other areas. The balance of the national interest will depend upon whether these apparently modest gains justify what we will have to surrender elsewhere.

The thing that tells the story the most is an article I read yesterday saying that the free trade agreement with the United States barely rated a mention in the US. I think it may have come up as a small item in the business papers, but certainly in Florida it did not appear at all. If that is the state that was so concerned about the sugar issue, why wasn’t it worth mentioning in the US press? At the end of the day, we have to understand that our contribution to their economic growth is really a drop in the ocean because of the size of their market.

The final thing I want to say is that there is a range of different issues that will require careful analysis once we see the text of the
final agreement and are faced with the consideration of legislation that is going to be introduced to give effect to the terms of the agreement. These decisions will also have a critical impact on our national sovereignty more generally—that is, our capacity to legislate in the Australian national interest. We owe it to ourselves and the Australian people to be vigilant to ensure that the terms of the agreement do not affect our ability to regulate freely in the national interest in the future.

The months ahead shall be critical ones and we have to focus on careful and analytical consideration. That is why the Democrats have supported the establishment of a Senate select committee. I think it comes down to one very simple thing: protecting the national interest now and into the future.

Senator ALLISON (Victoria) (5.01 p.m.)—As indicated by Senator Ridgeway, I wish to speak in this debate about the sugar industry. It is very clear that if one sector was left completely out in the cold over the so-called free trade agreement with the United States it was the sugar industry. I think the cane growers must in fact be starting to realise that the federal government is not worrying about what it promises to this sector. It has promised the earth but has then turned around on so many issues and done the complete opposite. So cane growers must be really disappointed by the FTA announcement. Liberalisation was supposed to mean $440 million a year to the sugar industry but, as a result of this failure, they will get nothing.

The government failed to break through the current quota access—that is 87,000-odd metric tonnes of sugar for 2004—because the sugar lobby managed to prevent any trade liberalisation at all in the United States. I think this calls into question our own government’s intelligence on the strength of that lobby. We talk about intelligence on weapons of mass destruction, but maybe we should be questioning the sort of advice the government was given that led ministers to say that it would be un-Australian to come out of a deal without making gains for sugar. Apart from that being pretty silly and making them look rather foolish at this end of the process, one wonders how it is that we did not recognise how difficult it was going to be in going into those talks in the first place.

The problem for cane growers and the sugar industry is that they were already at desperation point with the two major parties only too happy to sink the boot in on ethanol, which has resulted in a massive loss of confidence in that industry. The government has failed to come to sugar’s defence on ethanol. It could have provided growers, refiners and ethanol producers with another very much needed—as it now turns out—income stream. It could have softened the blow of the FTA; it could have made a big difference to the income of cane growers in particular.

The sugar industry had thought that there was great potential to add value by processing sugarcane waste into ethanol. We all thought the federal government recognised that, with the Prime Minister’s promise that there would be a target of 350 megalitres of ethanol being produced each year by 2010. The sector certainly had pinned its hopes on ethanol. Mr Beattie’s Queensland Labor government recognised that and so did the opposition leader, Mr Lawrence Springborg. The coalition in Queensland also came forward with support for the ethanol industry, based on the production of sugar in Queensland, and saw the benefit of this by-product. In fact, Mr Springborg announced that a key plank of the coalition’s election platform was the mandating of 10 per cent ethanol in unleaded petrol.
I think it is a great pity that while our trade delegation were in the United States they did not ask around to find out what was happening in that country with regard to mandating ethanol. I think if they had done that they would have discovered that quite a few states in the United States are already doing that. It has been a great boon to cane growers and to other primary producers such as sugar producers to know that there is another source of income that they can rely on.

Ethanol—essentially alcohol—has many applications. We have been making ethanol in this country for a long time—certainly since way back in the fifties in North Queensland. But the important issue for this debate is that it can be added to petrol so that it becomes ethanol blended transport fuel. Ethanol is used to oxygenate petrol. It increases the oxygen content within the fuel, producing a cleaner burn and reducing emissions, including particulates. Very tiny particulates enter the human respiratory system and contribute to respiratory diseases such as asthma and lung cancer.

The government dealt another mighty and damaging blow to the fledgling ethanol industry last year by announcing in the May 2003 budget that it would impose an excise on ethanol for the first time and that this would start in 2008. Just before the 2003 budget announcement, the government gave a commitment to the industry not to apply an excise to alternative fuels. In fact, as has been said many times in this place by me and by others, the Minister for Agriculture, Fisheries and Forestry, Warren Truss, gave a commitment to the industry in writing saying that excise would not be applied to ethanol. On the basis of that commitment, potential producers prepared business plans to establish ethanol plants. They worked out what investment would be required and sourced the finance, and many of them went ahead with their projects.

When this was announced in the May budget, industry entrants pointed out that they needed an excise-free period of at least seven to eight years from the start of production in order to get their plants off the ground. That is not seven to eight years as of the budget announcement but seven to eight years from the start of production. As we all know, these things do not happen overnight. You need to spend a lot of time at the bank persuading them that this is a going concern, and then the process of permits and so forth can take a very long time indeed.

The industry also said that the excise rates that were being proposed, effectively the same as for petrol, were impossibly high and would ruin the industry before it even got off the ground. We understand that this message has finally got through, at least to some extent, to the government, and late last year it was announced that the rate was likely to be about half that amount. If it is, and I sincerely hope it is not the case, the prognosis for sugar as a source of ethanol for transport fuel is still not looking good; in fact, it is looking very sick.

Treasury took a very hard-headed, economically irrational approach to this, insisting that alternative fuels had been getting away with paying no excise for far too long in this country and that they must be taxed, and that was the end of the matter. Of course, if no ethanol is produced for fuel transport, there is not going to be much revenue flow into the Treasury coffers as a result, but that seemed to bypass those who were making this decision. I think that inflexible approach will result in no revenue at all being collected from ethanol because, as I said, we simply will not have an ethanol industry. And we may not have a sugar industry; who knows?

Then there is labelling. This week the minister tabled the new warning label for
ethanol blended petrol—E10, as it is called. I say ‘warning label’ advisedly because, apart from having images on it, it is a bit akin to the warning labels you get on cigarettes. That is the product that kills around 20,000 people in this country every year. So despite its great benefits to the human respiratory system, ethanol now has a label on it that is akin to the label on tobacco. The minister did that under great pressure. He did that because the auto lobby said that it was very dangerous and that motorists needed to know whether or not there was ethanol in the petrol—despite the fact that for some years we have had an ethanol level of 20 per cent in some petrol in parts of New South Wales and nobody has been able to demonstrate that it has done a single bit of damage to autos. But that is by the by.

So we have this new warning label for ethanol. It is certainly not attractive. It certainly reads and looks like a message to motorists saying, ‘Go as far away as you can from this petrol pump because, if you stay here, you are going to get ethanol and we all know that’s not good for anybody.’ The government had the opportunity to see that this made a positive statement and that it accorded with everything we know about ethanol blends—that is, they improve air quality and they are better for our respiratory system. The list of benefits from having ethanol in petrol is very long, and the government could have spelled that out. The government could have indicated that ethanol was in fact a worthy fuel for people to use and it could have helped to extol the virtues.

The government also could have insisted that there be labels on other fuels. The Democrats suggested that there should be a rating scheme in place which would allow motorists to look at various fuels. When I go into petrol stations now there is often an offer of at least two and sometimes three different kinds of petrol. If you do not know what you are looking for then you do not know what is useful to buy or what is likely to be best for the environment, best for air quality or best for the human respiratory system. It could have been a simple matter—and we have had this debate before—to rate all fuels, and I would be very confident that ethanol blended petrol would get the maximum number of stars when compared with other petrols. But, no, that is not what we have; instead we have a warning label.

This means yet another nail in the coffin of the sugar industry—and not just the sugar industry. Obviously the grain industry and a whole range of agriculture will be the dis-beneficiaries, if you like, of this approach. It is not going to improve the uptake of ethanol, and that in turn reflects on the sugar industry, which, as I have already indicated, has been dealt a massive blow this week—yet another one. This is yet another example of a government promising to take action to improve the economic lot of both cane growers and the communities in which they live, yet another promise that has gone down the drain. A whole industry is likely to be very disappointed, very upset. Quite frankly, I would not want to be a member of The Nationals in any of those sugar electorates. They bear the responsibility for serious economic disadvantage as a result of the events of the last couple of months, not least of which were the label this week and the FTA last week.

Senator COOK (Western Australia) (5.13 p.m.)—Firstly, may I respectfully correct Senator Ridgeway. The ALP will decide its attitude to this agreement when we have seen the text of the agreement and had a chance to examine it and evaluate it from the perspective of the national interest. When that process has been completed, we will make our decision as to how we will vote on this package. That has been made clear by our leader, Mark Latham, and there is no doubt about...
that position. If there is any doubt in anyone’s mind, they should go to the report of the committee that I had the privilege to chair, Voting on trade, which was tabled in the Senate chamber in November last year.

From Mr Howard we had coined the new political phrase ‘core promises and non-core promises’. To that we can add an additional phrase: ‘sugar promises’. We now have core promises, non-core promises and sugar promises. What is a sugar promise? A sugar promise occurs when you reassure a key constituency of yours that you will look after their industry and then you rat on them. The lexicon can now have those three promises from this government.

The government justifies this package as the best deal it could get. It has said that it is not perfect—it wanted more but it had to close the deal and this is the best deal it could get. Key commentators have said, ‘Give it 1½ cheers.’ Other commentators have said the government has dunned Australia. No-one is saying, ‘This is brilliant.’ There is, however, a scam here—and we should not fall for it. This package could have been much better. If the government had listened to the Labor Party it would have been much better. The government has deliberately and cynically put its electoral interests ahead of the Australian national economic interest. It has closed a trade deal in circumstances which guaranteed that it would be an inferior package and it has done so, as I have said, cynically, manipulatively and for electoral purposes.

The fact that they have dunned their own constituency in the process seems to be a matter they are prepared to overlook. How have they done that? It is quite simple. Last year the Prime Minister met with the United States President at Crawford, Texas, at the President’s ranch. They agreed that they would close this deal by the end of the calendar year 2003 with a possible spill-over of negotiations to January, or early February at the extreme, this year. They imposed on themselves a deadline that guaranteed that, on the US side, the President had no wriggle room whatsoever to close the deal I suspect he wanted to. The reason he had no wriggle room is that he was jammed up against the US presidential election campaign.

We know that the main sugar state in the United States is Florida, the state of the President’s brother Jeb Bush, the state of the hanging chads—the state that in the last presidential election was the decisive swing state in the union. We know that dairy is also a hot topic in some of the other borderline states and that beef is too. By agreeing to accept a deadline that meant the Americans had to engage in a political consideration of this package and not disappoint key constituencies, the Australian Prime Minister guaranteed that he would get an inferior deal. So let us cut this cant about this being the best we could have got.

The sensible thing would have been to have closed this package after the US presidential elections when an incoming President was free to negotiate with a mandate and when a new Australian Prime Minister was equally free to do this deal properly. Jamming it up against the US presidential election timetable, when the differences between the Republicans and the Democrats are narrowing to a sharper contest, guaranteed that the US said no to Australia on agriculture. We all know that. The Prime Minister knows that but he did it, and he did it for the reason that he wants an agreement. It does not matter what sort of agreement or the quality of it; he wants an agreement to wave around saying, ‘I’m the only one that can do a deal with the United States.’

What difference would it have made to beef producers if they had waited another
nine months when they are phasing in their quotas over 18 years? What difference would it have made to Australian sugar producers if they had waited another nine months with a very real chance of getting a deal in congenial negotiating circumstances? What difference would it have made to the dairy producers and all of the other agricultural producers to wait for a time at which Australia could negotiate effectively?

Let us not pretend that this is the best that could have been done. This is the worst that could have been done and it was done in the worst negotiating climate imaginable. It was done for political purposes, not for the purpose of our national economic interest. This government should never be able to get away with it. This deal is the equivalent of the ‘children overboard’ argument. This deal is the equivalent of the ethanol scam. No member of the coalition should believe otherwise, because it is a simple matter that the Prime Minister did agree to close this package at a time when it was electorally uncongenial for an outcome that would be useful to Australia.

There are a number of very important questions that need to be asked about this deal. First of all, we do not know what it contains; we only know what the government says it contains and what the US government says to its constituency it contains. Several speakers today have compared and contrasted the two releases—the US one and the Australian one. There are gaping holes in the explanations on both sides, leaving a big question mark over what really was determined here. We cannot decide what was determined here until we see the source text. The source text is being, to use the jargon, ‘legally brushed’ at the moment and it will be another two weeks or more before it is available for us to look at. When it is, let us examine it properly. When it is, we will be in a position to judge for ourselves by looking at the black letter of the undertakings that the government has agreed to.

In the meantime, a number of other very important questions need to be asked. The government should be in a position to answer them. The government is not in a position to answer them. The fact that the government is not in a position to answer them and has declined to answer them makes it either incompetence on their behalf or cynical in trying to manage public perceptions about this deal. Let me go to the first question that needs to be asked and answered authoritatively: what is the value of this deal to the Australian economy? The government cannot tell us the answer to that simple question. It cannot tell us.

The Minister for Trade said today at the National Press Club that he would remodel the deal to see what the outcome was but could not state the value to the national economy of this package. How incompetent is that! In a negotiation, doesn’t the government do some scenario modelling privately, for its own information, to see what the value to the national economy the different types of packages and scenarios it models might be? If it closes a deal without knowing the benefit, what is the criterion for judgment about how good this package might be? The fact that the Minister for Trade cannot authoritatively tell us, because he does not know, how good or bad this deal is means that he does not want to tell us and is afraid of the facts, that he is just ignorant or that he is a sloppy negotiator.

Let me go to another key question that needs to be answered: what will this package do to the trade deficit between Australia and the United States? We all know that Australia has a massive overall national trade deficit. We all know that the biggest single bilateral trade deficit that we have is with the United
States. All up, the deficit is about a third of the total volume of trade between Australia and the US. It is the biggest single trade deficit. Is it not a germane argument in this debate to be able to say whether this package will close the deficit or widen it?

At the National Press Club today, the minister was asked whether this package will narrow the deficit or blow out the deficit. Was the minister able to answer that rudimentary question? No, he was not. He said he did not know. He hoped, and he went on to express a fond hope, that it would do better. I join him in that hope. I hope it does, if it ever goes through, because we do not want to see that deficit worsen. But the fact that the minister does not know whether the deficit will get worse or better as a consequence of this package is a terrible indictment of his negotiating approach. How do we measure and weigh and value this package if we do not know whether it will narrow the deficit?

The other salutary concern in this debate is the modelling that the Centre for International Economics did prior to the government moving into these negotiations, which assumed the market would clear on both sides and we would have a package of that level—a wild assumption, it is true, but one that they made for the purposes of modelling. When you looked at the value to the American economy and the value to the Australian economy, the deficit in trade we have with the United States got larger. It got larger under the government’s preferred model. There is nothing to lead us to believe that it will not get larger under this package. But can the government answer that question? No, it cannot. I say again that it does leave you with the question: on what criteria did the government make the judgment that this is in the national interest?

The other question which is vital to consider, particularly in this chamber given the view of the Senate Foreign Affairs, Defence and Trade References Committee in its report Voting on trade: the General Agreement on Trade in Services and an Australia-US free trade agreement, tabled in the chamber last November, is the investor state clause. We have been told—and it is true in terms of the government publicity—that there is no investor state clause in this agreement. What we do know from information seeping out and from information in the United States is that, whilst that is true, there is work going on between Australia and the United States on an investor state arbitration provision. An investor state arbitration provision sounds to me like an investor state clause under another name. Certainly there are considerable interests in the United States that want such a provision in all bilateral trade negotiations.

The minister has said, and it is true, that no state government wanted it and that the ALP does not want it. In a majority report—to be fair—to this parliament last November we as a joint committee said we did not want it. What does an investor state provision do? If included it would enable private companies to litigate in US courts and compel Australian companies or governments to comply with their decisions. That is what it would do. We know that this government sneaked one in at the 11th hour in the Australia-Singapore free trade agreement. I suspected at the time that it was to create a precedent for having one such provision in the Australia-US free trade agreement. We do know that work is continuing and that working parties are trying to develop such a provision now, so the issue is not dead and one has to be on alert about it.

A further question that needs to be asked is: what does this outcome do with respect to our World Trade Organisation negotiating position? The minister said at the Press Club today, and he is right—I am glad that the government has made this admission—that
in a bilateral trade negotiation you cannot remove subsidies to US farmers. The grotesque subsidies being provided by the US Farm Bill cannot be touched and are not touched by this agreement. The only way to do that is multilaterally in negotiations through the World Trade Organisation. So when the tariff wall or the quotas get larger under this agreement, if it comes into force, for Australian exporters into the United States market, bear in mind that Australian producers who are unsubsidised are competing with subsidised American producers and that it is still not a level playing field.

In order to get the best deal for Australia you have to tackle the tariff levels, the quota system and the removal of the subsidies, and the only way you can do that is through the World Trade Organisation. Does this agreement aid our ability to do that, or does it weaken it? It is too soon to call as a general proposition because we do not have all of the detail of this agreement. But if you look at the negotiating position we put in the lead-up to the Cancun ministerial, where the WTO round broke down, and if you look at the tabled offer of the United States as to the furthest it was prepared to go, which arose out of the ministerial discussions at Cancun, it is reasonable to see that in this agreement we have settled for a lesser standard. That means we have undercut the best available levels of outcome that we could have got.

If I am right about that, that is a shocking indictment of these negotiations. The other thing is that Australia is not just a country acting in the World Trade Organisation on its own, it is the chair of the free trading agricultural countries of the world—26 nations committed to freeing up agricultural trade. If we as the chair of that very impressive and strong negotiating group settle for a standard that undercuts the position of the entire group, we bring the whole negotiation of that group crashing down and we weaken the opportunity for us at a multilateral level to do anything significant here.

By doing a substandard bilateral deal with the United States we also bring ourselves to a level at which the Europeans, in protecting their infamous common agricultural policy, say, ‘Ha! Australia talks big about what it wants but it settles small in the outcome, and Australia is to be dismissed in terms of an effective negotiating force when it comes to the European Union’s common agricultural policy.’ When it comes to the issue of Japan, who run a highly protected rice industry, we are equally diminished. So selling out in a bilateral trade deal with the United States on our agricultural sector sells us out not only to the US but also to the Europeans, to the Japanese and to any other country that has high protection for agriculture and wants to deny its own citizens lower prices for quality merchandise from Australia. At first look, that is what has happened here.

If the pace picks up for the multilateral round, Australia will be without credit and will be a much diminished power in terms of maintaining a credible position. The cause of agricultural trade liberalisation will be put back, which I as a member of the Labor Party concerned about the world situation think is bad not only for Australia but also for every developing country in the world that wants access to the protected markets of Europe, North America and Japan in order to trade their way into a greater degree of prosperity. If we blunt this issue of agricultural trade negotiation, as this substandard package does, we blunt the cause right across the world and we guarantee that more people live in poverty—and that is also a shocking indictment.

I want to conclude on one point of politics that has intruded into this debate. I heard a coalition spokesman yesterday say that the Leader of the Australian Labor Party, Mark
Latham, is anti-American because of his attitude on this package. Nothing could be further from the truth. That is an absolute joke and it should be put down right now. Let me explain why it is a sad calumny on the interests and ambitions of Mr Latham.

Senator O’Brien—at least he’s not un-Australian.

Senator Cook—and he’s not anti-American either. The reason is that he wants Australian sugar in the American market, which would mean every product containing sugar would be cheaper to every American consumer. He wants Australian dairy products in greater force into the American market, which would mean every dairy product would be cheaper to every American consumer. He wants more Australian beef into the American market, which would mean every beef based product would be cheaper to every American consumer. That means every American household would be better off if Mr Latham’s ambitions were realised. That is not anti-American; that is pro-American. That is pro American consumers. A lot of American consumers would be pleased to acknowledge that Australia at least has their interest at heart.

Senator Nettle (New South Wales) (5.33 p.m.)—The members of the Howard government this week have had increasingly red faces as they have tried to answer questions in question time about what is in this trade agreement that has been reached between Australia and the United States. We have seen Minister Vaile and the government bring into force all the spin that they can to try to sell to the Australian public something that is now being recognised for the dud that it is. Even the government recognise a bad deal. We are seeing them have to put on the spin—they delayed the announcement until after the Queensland election—because they know they have been duped by George Bush and the United States when it came to negotiating a free trade agreement.

This trade agreement was supposed to be the backhand favour that was going to be given by George W. Bush to Prime Minister Howard after he led Australian men and women into an illegal and immoral war on Iraq. This was supposed to be the backhand favour that was coming at the end of young men and women from Australia being sent off to be involved in Iraq, where there continues to be enormous devastation and suffering not just for the Iraqi people but now also for coalition troops who are in that arena. This trade agreement was supposed to say, “Thanks for coming to war with us. Here’s your payback.” If this is what the Howard government think is payback when it comes to their negotiations with the world’s largest superpower, the United States, they should think again.

We have seen the government become increasingly red-faced this week during the question times when they tried to explain the deal that had been done. None of the ministers in here seemed to give any indication that they had even seen the text of the deal. We heard Minister Hill at the beginning of this week saying that he had tried to get a copy of the agreement, that he had tried to find the information. If the Leader of the Government in the Senate has to apologise to the Senate and the Australian people that he has not been able to get access from his mate Minister Vaile to what is in this trade agreement that has been signed with the United States, why on earth should any of us on this side of the chamber, or the Australian public, believe what this government has to say about the supposed benefits in this agreement for Australian people and for Australian industry, trade and agriculture? It is absolutely shameless to have, one after the other, government ministers standing up trying to defend a piece of legislation that they...
have not seen. They do not know what is in it, and they cannot with any credibility argue that it is in Australia’s national interest.

As the text of this agreement is finally revealed, I think we will see the red faces here becoming a lot of beetroot heads. They will become even more red, even more embarrassed, as the Australian community and the Australian Senate come to see what damage they have done to Australia’s national interest, how they have sold off Australia’s interests, whether it be in agriculture or protection of our public services—a whole raft of different services are included in this agreement. We will continue to see a grilling of this government, and we will see those beetroot faces on the front benches of this chamber and the other chamber as the final text of this agreement comes out onto the table.

There has been analysis by commentators and the public as this information has come out. One day after the newspapers announced the detail of what was in this trade agreement—or the detail we had so far—we saw some commentary in the newspapers. There was an article in the Age newspaper—it was also in the Sydney Morning Herald, where I read it—by Ross Gittens. I think he sums up what has happened in this trade agreement when he says:

What mugs Honest John takes us for.

What absolute mugs Honest John takes us for! Those were Ross Gittens’ words in the Age and the Sydney Morning Herald on Wednesday this week. Well, the Australian Greens will not be taken for mugs on this one. We do not need to send this issue off to an inquiry to be able to determine that this is a bad deal. This is a bad deal for Australian farmers, who were told there would be wins in agriculture. This is a bad deal for sick Australians, who do not want to have to pay more for their medicines. This is a bad deal for Australians who are working in our cultural industries. It is a bad deal for young Australians growing up, who want to hear Australian voices, in the coming new media, telling them the stories about the history, heritage and culture of this country. This is a shocking deal that the Howard government has caved into.

Later I will go into some detail about the commentary that has come out of the US industry sector because they, too, have recognised that the Howard government has been duped on this one. In fact there was a comment in Wednesday’s newspaper from a former US trade negotiator who was quite blunt in what he said. Rather than Australia getting a trade deal, he says:

Instead you’re sending a message to the world that the agriculture lobby in the US is still so powerful that even a close ally like Australia gets stiffed. They must really be laughing in Tokyo.

Those are the words of a former US trade negotiator in his commentary on the deal that this government has signed off on and that Minister Vaile has signed off on—he has not given a copy to other ministers—and that this government has tried to defend over the last week since this information became available. In the words of the former US trade negotiator, the Australian government got ‘stiffed’ in the deal.

The deal that has been cooked up by the government in Washington this weekend is neither a free trade agreement nor a good result for ordinary Australians. In fact, it is the Howard government serving up the Australian economy, Australian society, Australian culture and the Australian environment on a plate to US big business. Of course, we still do not know the detail of the agreement because the government are refusing to come clean as to what exactly they have traded off, what rights they have given away, what important protections they have torn up, and what sectors of the society and economy they
have sacrificed in return for their dubious claims about benefits for Australian businesses.

More detail is coming out and we now know that the figures that the government have been relying on are based on inaccurate estimates and assumptions. They are based on a deal on sugar that has proven to be false. The government, leading into these negotiations, got a range of different groups to do costings for them as to what the future would be and what opportunities there would be as a result of this free trade agreement with the United States. They got one costing done; that is the famous—now infamous—$4 billion that we were supposed to be getting out of this trade agreement. It was based on a set of assumptions that were absolutely ludicrous. They were false at that time. They were pie in the sky ideas from the Australian government that they would get all tariffs removed from agricultural sectors in the US. Even going into the negotiations, to get costings done on the basis of all barriers being removed was a ludicrous idea of the Australian government. But that is the modelling they did and that is where we got the infamous $4 billion that this government continue to try to tout both here and in the public.

The government had another study commissioned. That commissioned study said, ‘There could be some benefits; there could be some losses.’ That is the information the government got before signing off on the deal. The US government are now saying that they will get $2 billion out of this deal. If, out of a negotiation between the world’s greatest economic superpower and Australia—an economy which is the size of the state of Pennsylvania by comparison with the US—the US government reckon they are going to get $2 billion, I do not know how any government minister can keep a straight face and try to continue to claim to the Australian public and parliament this week that Australia is going to get $4 billion. How, in negotiation with the United States, the world’s largest superpower, is Australia, a tiny pimple on the bum by comparison, going to get double—$4 billion; not $2 billion as the US are claiming—as this government have continued to claim in this chamber this week in trying to defend the dud deal they have done with the United States?

Already the public are expressing their outrage and concerns about the deal. As more information comes to light in the coming weeks and months, such opposition will grow. We will see exactly how much damage the Australian government has done to Australia’s national interest. Just let me give you an example. Here is what one member of the public had to say in a letter to the *Sydney Morning Herald* on 11 February, this week:

According to John Howard, the Pharmaceutical Benefits Scheme has been “protected” under the proposed free trade agreement. According to the office of the US Trade Representative, however, the two parties have agreed to establish a medicines working group “that will provide for continued dialogue between the United States and Australia on emerging health care policy issues”.

She continues:

I’m sorry, but since when was Australian health care policy a matter for the determination of the US? What right does it have to any such “dialogue”?

Mr Howard is more than aware that the US pharmaceutical industry resents the Australian PBS but will not stand up to this outrageous bullying to do anything about it.

Those are the words of Kirsty Machon from Marrickville who wrote in to the *Sydney Morning Herald* earlier this week.

The Australian public do know what is going on. They have not been duped by this government and its spin and the spin of ministers in question time today and during the week. The public education campaign that
has been run in the lead-up to this free trade agreement by groups like AFTINET, the Australian Fair Trade and Investment Network, Tradewatch and, of course, the Australian Consumers Association, and the work that the Greens and others have been doing around the country, mean that the Australian people are seeing through the Howard government’s smokescreen on free trade, as on so many other issues. But it is a sad indictment of this government, and strong evidence of how it is trying to spin this deal, that we know more about this deal from the statements of the American government than from Minister Vaile. It is a unique position to be in, where we have people on this side of the chamber saying, ‘We trust more the words that are coming out of the US administration when it comes to what is in this deal than we do the words coming from the Australian government.’

Let us have a look at the impact of this deal. As I just said, we know the most not from the statements of the trade minister in Australia, Minister Vaile, but from the office of the US Trade Representative. Let us look at the Foreign Investment Review Board. The Foreign Investment Review Board will remain, but its role, its responsibility, has been gutted. US investment in new businesses will be exempt from screening. The threshold for national interest screening of proposed US acquisitions has been raised from $50 million to $800 million. The US Trade Representative estimates that, had the $800 million threshold been operating over the last three years, 90 per cent of US investment in Australia would have fallen outside the screening scope of the Foreign Investment Review Board. So the capacity of the government to control and regulate the takeover by US big business of Australian industries has been dumped, and it is now open slather for the global corporations to monopolise key sectors of the Australian economy.

Let us look now at manufactured goods: 97 per cent of Australia’s manufacturing exports to the United States will be duty free from the date of effect of the free trade agreement with the United States, as will 99 per cent of US manufacturing exports to Australia. Manufactured goods account for 93 per cent of total US exports to Australia. US manufacturers estimate the export gains to them as a result of the free trade agreement to be $US2 billion per annum. This government claims there will be gains for Australian manufacturing. But what about all these goods flooding into the Australian market? How is this going to affect manufacturers? How many jobs will be lost?

The Department of Foreign Affairs and Trade states that tariffs on textiles, some footwear and ‘a handful of other items’ will be phased out by 2015. This is despite the thousands of jobs already lost in the textile, clothing and footwear industry. Questions remain about the antidumping measures: will the deal adequately prevent the products of the world’s sweatshops being shunted through the United States and onto our shores? Tariffs on car components and commercial vehicles will be eliminated from the date of effect of the agreement and tariffs on Australian passenger vehicles will be phased out by 2010. The government have been fantastical in jumping around the questions about where the jobs will be lost from. Where will the jobs be lost over the medium term in manufacturing opportunities for Australia? Will it be in Adelaide at the vehicle manufacturing plants? Where will it be? Will it be the componentry plants in Melbourne? Where will the job losses occur over the coming years, thanks to the trade agreement that this government think they should be given a pat on the back for?
Let us look at audiovisual services—the film and television industry—and Australian culture. The Department of Foreign Affairs and Trade states that the free trade agreement protects local content requirements, including the capacity to set requirements for new and emerging media and to go beyond existing measures for subscription television formats such as drama, children’s programming and documentaries. However, according to the US Trade Representative, the deal:

... contains important and unprecedented provisions to improve market access for U.S. films and television programs over a variety of media including cable, satellite, and the Internet.

Who should we believe in this instance? If the United States, as the world’s largest economic superpower, believe that they are going to have unprecedented opportunities for Americans working in this industry to get their product into the Australian marketplace, what does that mean for the Australians who, because of current quota arrangements, have been able to work on movies like *The Matrix* that are being made in Sydney and to be involved in these American productions, learning skills and having the opportunity to participate in US films being made here in Australia and also in Australian films being made here? If these unprecedented opportunities are going to be available for the United States to get their product into Australia, ipso facto there will be fewer opportunities for Australians working in our cultural industries to continue to provide Australian stories to the generations of young Australians growing up in this country.

Let us look now at affordable medicines. The Department of Foreign Affairs and Trade states that, while the Pharmaceutical Benefits Scheme procedures will be changed to provide for greater transparency, speedier decision making and more opportunities for input from corporations, the price of prescription drugs will not increase as a result of the deal. The US Trade Representative states that the parties have agreed on the importance of innovation, research and development in pharmaceuticals; the need to recognise the value of innovative pharmaceuticals; and the need to have procedures that appropriately value the objectively demonstrated therapeutic value of a pharmaceutical. To implement these principles there will be provision for a so-called independent review of the Pharmaceutical Benefits Scheme determinations of product listings, and there will be other changes to enhance the transparency and accountability of the Pharmaceutical Benefits Scheme—a review that is likely to be held behind closed doors and one that will allow US corporations to overturn the decisions of the Pharmaceutical Benefits Scheme. Under the direction of Mr Grant Tambling from the other place, this government looked at this proposal for a review in 2000 and rejected it outright as not being in Australia’s interests. In the four years since that review was carried out and so resoundingly rejected by this government, what has changed so that the government now believes this in Australia’s interest?

There continues to be a range of issues for which we are not seeing the detail, whether it be government procurement, quarantine or environmental regulations or which services have been listed and opened up in this negative agreement where, if you do not stipulate a service and exempt it from the free trade agreement, it falls within the ambit of all the provisions—which we are yet to see—of this agreement. There are hints there for us; we need to be concerned and we need to look into the future but we will not know until we see the final text of this agreement, exactly how much the Australian government has sold out farmers, has sold out our public services and has sold out sick people who need to be able to access affordable medicines, or how much the Australian government has
served up Australia’s national interests on a platter to the Bush administration in the United States. We will not know until we see the final detail, which this government is refusing to show us, just how much damage has been done.

**Senator FERRIS (South Australia) (5.53 p.m.)**—Let us go back to Senator Conroy’s notice of motion today, which in part was that the Senate:

(b) notes that:

(i) the expected gains from the trade deal with the United States of America (US) are based on unrealistic assumptions ...

Senator Conroy knows, Senator Nettle knows and other speakers today know that the assumptions will not be known until the document is released. So to make the assumptions that have been made in this place over the last few days has been absolutely breathtaking. Senator Conroy is worried that the expected gains are less than he was led to believe. Yet, if he had his way, there would be no free trade agreement—none at all! We can only draw the conclusion from the hypocrisy that we have heard in here this week that Senator Conroy would be happy if there were no free trade agreement—none at all! We can only draw the conclusion from the hypocrisy that we have heard in here this week that Senator Conroy would be happy if there were no free trade agreement at all—and I wonder if Senator Conroy’s position is the position of his leader. It is a hypocritical position.

During estimates on 6 November 2003 Senator Conroy said—and this is a comment that, in relation to Senator Conroy, I would certainly agree with:

... I am a beginner in the trade world.

I have no doubt that Senator Cook would agree with that, and those of us on this side of the chamber certainly agree. They are Senator Conroy’s words, not mine: ‘I am a beginner in the trade world.’ It is too true. He is a beginner in the trade world and he is not even out of the box in the agricultural world—that well-known pastoralist from south Melbourne! What is it they say? The bigger the brim, the smaller the brain. Senator Conroy’s only connection with agriculture is that he was once described as a rooster in a chookyard. That is Senator Conroy’s connection with agriculture, and he himself has admitted that he is a newcomer when it comes to dealing with trade issues.

Senator Conroy’s position on agriculture is about as modern and as relevant as the tarboy in the shearing shed. His attitude towards and knowledge of agriculture are about as modern as the tarboy in Tom Roberts’s painting—they belong in the last century. If Senator Conroy and his leader believe that this country can survive without increasing our trade opportunities with the largest trading nation in the world—20 million people in our country and 300 million in theirs—he is even more irrelevant than a rooster that has lost its tail feathers. He has no relevance in this issue. He has, by his own admission, no experience and, by my reckoning, he has no idea.

I thought it might be useful today in the few minutes I have remaining to give Senator Conroy some advice on trade policy. I did not have to go very far to find some quite sensible words. I would agree with them and, Senator O’Brien, I know you will agree with them as well when I tell you where they came from. Those words say that we recognise ‘the importance of maximising trade and investment opportunities for Australia in a rapidly changing world’. You would agree with that, Senator O’Brien, when I tell you that it is Labor Party policy. It is the Labor Party’s platform:

Labor recognises the importance of maximising trade and investment opportunities for Australia in a rapidly changing world.

What could be more relevant than that? We agree. But we have had this tarboy from the Tom Roberts painting in this place every day
this week making comments which are about as relevant and as modern as the tarboy. That is what it says in the platform under the title ‘Opening Markets’—and it is on the web site:

Labor recognises the importance of maximising trade and investment opportunities in a rapidly changing world.

And yet Labor all week has opposed this historic free trade agreement with every opportunity that comes with it. In my state of South Australia, I have been inundated by calls from businesspeople absolutely delighted at the opportunities that are going to flow from this agreement, whether they are in aquaculture, the car industry, the automotive parts industry or the wine industry. Never mind industry—you will find the opportunities in horticulture, in cut flowers—

Senator O’Brien interjecting—

Senator FERRIS—Senator O’Brien, when you and I work together on the committee, I think you will find some quite big surprises. There are a number of opportunities for my state of South Australia and there are some very excited members of the business community in South Australia who are looking forward to coming and giving evidence to our trade select committee, chaired by our colleague Senator Conroy and not the eminent trade specialist Senator Cook—devastating news, I am sure, for him. I am looking forward to hearing the evidence of those people, because South Australian businesses and the South Australian agricultural community know that that is what this trade agreement will deliver. It will deliver opportunities for small and large businesses in industry, agriculture and commerce. Opening the door to a community of 300 million people when we are 20 million people is an opportunity that we on this side of the chamber excitedly look forward to. But, tragically, those on the other side of the chamber are sitting around carping, whingeing, whining, opposing, admitting they do not have the detail, admitting they do not know what will really happen but nevertheless deciding to oppose it. Yet they have a trade policy on the Internet, on their web site, which says that they want to open markets and recognise the importance of opening markets.

The ACTING DEPUTY PRESIDENT (Senator Kirk)—Order! The time allocated for the debate having expired, the Senate will proceed to the consideration of government documents.

DOCUMENTS

Wet Tropics Management Authority

Debate resumed from 30 October 2003, on motion by Senator Bartlett:

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (6.02 p.m.)—It is important to continue to draw attention to the annual report of the Wet Tropics Management Authority, which was tabled towards the end of October last year. The wet tropics World Heritage area is a magnificent part of my home state of Queensland. It is in the Far North. The development and implementation of this World Heritage area was quite controversial, but it is an area whose ecological values and indeed Indigenous heritage values, which are not properly recognised as yet, are unquestioned. The real concern that the Democrats have, and we have voiced this repeatedly, is that those magnificent, quite unique and literally world-class environmental values are at risk. That is not because of the Wet Tropics Management Authority but because of the impossible situation, in many respects, that the authority has been put in and the lack of a genuine commitment, in some respects, by both state and federal governments to build
on the foundation that the wet tropics World Heritage area provided.

The idea of declaring an area World Heritage is not so that you can then say, ‘Well, that’s it—it’s all fixed. It’s wonderful. Let’s all just look at it and praise it forevermore.’ You need to manage it, which is of course why there is a management authority, but it is a foundation to be built upon. It is also an area that needs to be protected from having those values degraded. Many of the values of the wet tropics area are at risk of degradation and the difficulties in the structure and funding of the Wet Tropics Management Authority exacerbate that situation. The Democrats make a strong call to the federal government that there is a need for extra resourcing—consistent, permanent resourcing—of the Wet Tropics Management Authority to enable more coherent, long-term budgetary planning.

In recent years the authority has been funded through the Natural Heritage Trust and has had to apply annually for grants. The Natural Heritage Trust is spoken about a lot in various commentaries. It has quite a large amount of money and there are lots of assessments about how effectively or otherwise it has been spent, but I do not think anybody would think or suggest that it is appropriate for it to be used for the general annual funding of an authority that was already in place, like the Wet Tropics Management Authority. It makes it impossible for the authority to predict what its situation is going to be from year to year in terms of staffing and finances. It makes it impossible for it to do the sort of cohesive long-term planning that you need to do when you are managing and trying to enhance an area like the wet tropics World Heritage area. There is a clear need for the federal government to provide extra resources in this regard.

A specific part of the wet tropics—its most well-known part—is the Daintree rainforest. It is a magnificent area. I thoroughly recommend anybody in Australia or around the world who has not visited it to do so. There is a lot of focus on forests and there is a lot of talk about forests in various parts of Australia, and that is as it should be. But there is an area of the Daintree rainforest that is not protected and that needs protecting, and the Democrats believe that we should not lose our focus on that fact. There are people, particularly local people, who are doing a lot of work to try to ensure that there is clear, solid, firm protection for many parts of the Daintree rainforest that are not contained within the World Heritage area. They need support and assistance, and they need acknowledgment. I would like to particularly acknowledge the work of the Douglas Shire Council, which has tried to do everything to ensure that pressures on this area are not such as to reduce and destroy the values of the Daintree rainforest. I believe the federal government can do a lot more to reinforce that. If we are spending money on the Wet Tropics Management Authority—as we should be—we have to make sure that the area that it is supposed to manage is literally able to be protected from destruction in the long term. So it is about getting value for the money that we are already putting in, and the federal government needs to do more. I seek leave to continue my remarks later.

Leave granted.

Senator IAN MACDONALD (Queensland—Minister for Fisheries, Forestry and Conservation) (6.07 p.m.)—I would also like to briefly make a comment on the report of the Wet Tropics Management Authority. Firstly, I congratulate the authority and its officers and employees on the great work that they do. It is not always an easy task, but the authority does a great job for the wet tropics and a great job for Far North Queens-
land. The wet tropics are something that all Queenslanders are proud of, as we are of the Barrier Reef. We believe that a lot of credit comes to Queensland from the fact that the rainforest meets the reef and it is a huge attraction to tourists not only Australian but international.

One of the things that I particularly appreciate about the approach of the authority these days, as opposed to the days when it was first formed under a previous government, is that it has now taken the attitude that although this is a very valuable resource it should be available for all Australians to have a look at, to experience and to feel. Unfortunately, under previous governments, it seemed content to lock it up and allow it to be accessed only by those who could tramp through the forest for three weeks at a time not having to bother about working or children wanting to come in and have a look. I do think the authority has done a great job in allowing all Australians to have a look at the very special forests that are up in Far North Queensland.

I note Senator Bartlett talked about extra resourcing. The Commonwealth makes a very valuable contribution to resourcing this authority and other environmental authorities. In fact, I think it is becoming increasingly well recognised that the Howard government is the most environmentally conscious government in Australia’s history. I wonder why the Democrats and the Greens are not quite as shrill about calling upon state governments to support the management of many of the lands which they declare as reserves, usually just before an election, I might say. They get all the political kudos of declaring reserves and then do not put any resources into them. I am very critical of state governments who do that. I would ask that the Democrats might direct some of their energies—I would not expect the Greens to, because they are a very left-wing party who always support Labor; the Democrats are more balanced—to putting some pressure on the state governments around Australia to properly resource the reserves that are created, as I say, usually before election time.

I also want to join with Senator Bartlett in congratulating other shires who are involved in the Wet Tropics Management Authority area, such as the Johnstone Shire Council and Councillor Barry Moyle, who is a very good mayor up that way and very environmentally conscious. I certainly wish him well in the local authority elections that are coming up very shortly. Similarly, Eacham is another very environmentally conscious shire that does a lot of very good work on its own behalf but also in conjunction with the authority, and Councillor Mary Lyle is a very good mayor up there. Whilst not actually in the Wet Tropics Management Authority area, Cairns City Council is certainly the centrepiece for that authority. The authority is of course situated in Cairns and I know does work very cooperatively with the Cairns City Council and the mayor, Kevin Byrne, in its operation. So I say congratulations to all those involved; it is another good report and a year of good achievement from that authority.

Debate adjourned.

**Great Barrier Reef Marine Park Authority**

Consideration resumed from 30 October 2003.

**Senator BARTLETT** (Queensland—Leader of the Australian Democrats) (6.11 p.m.)—I move:

That the Senate take note of the document.

The area of the Great Barrier Reef Marine Park is one that I take every opportunity to highlight, partly because it is a magnificent asset to my home state of Queensland—a place with extraordinary and unique envi-
ronmental values—and partly because it is of enormous economic value to the people of Queensland. It is an area—to repeat somewhat the theme of what I said on the wet tropics—that really suffers from under-resourcing.

As this report shows, the total budget for the authority for the last financial year was around about $31 million. That might sound like a lot perhaps but, if you think about how large the Great Barrier Reef Marine Park area is and the enormous amount of use that it is put to, you will see it is not just an empty, large area. It has an enormous amount of boat traffic through it, from huge oil tankers to the smallest tinnie with an outboard motor. There are all sorts of fishing pressures: risks of illegal fishing, the crown-of-thorns starfish, coral bleaching and the quality of the water that flows into the marine park from the mainland. We have tourism usages of all sorts. It is an area that is huge in size and quite significant in terms of the various challenges involved in maintaining its ecological values whilst enabling adequate and appropriate access and use by all parts of the community.

It is of course a World Heritage area and, towards the end of last year, it was significantly and comprehensively rezoned. It will probably sound as if I am saying this because of the comments Senator Macdonald made but I was about to note that the contributions made by the Queensland government to the Barrier Reef Marine Park Authority are in my view far too small. Fifty-two per cent of funding comes straight from the Commonwealth department plus another 70 per cent from a special appropriation of the Commonwealth. Only 13 per cent comes from the Queensland government. I think that is a sign of the lack of seriousness of the Queensland government about this.

I must say that in many respects the attitude of the Queensland Labor government towards many of the issues to do with the Barrier Reef have not been terribly impressive on the environmental side of things. I do not know if the Queensland Liberals, particularly in the Far North of Queensland, want to be adjudged as more environmentally attuned towards the Barrier Reef Marine Park than the state Labor government, but there is no doubt that in terms of that rezoning they demonstrated that. I know there was some internal opposition within the federal Liberals from those who wanted to back the commercial fishing lobbyists so they would be able to continue to do as they wished—and I am not dismissing the fact that there is an impact on those families and businesses—but the fact is that, in terms of economic value, over 90 per cent of the jobs generated by the marine park are in the tourism and related industries. Less than five per cent are from the fishing industry. By allowing inappropriate fishing in inappropriate areas you put at risk the whole tourism potential of the marine park. So the economics are pretty clear in relation to that.

But it should be noted that, whilst the Democrats are not 100 per cent happy with every aspect of the rezoning that occurred towards the end of last year, it is a huge leap in the amount of protection for most parts of the marine park—from less than five per cent as fully protected areas up to over 30 per cent. That cannot be ignored as a very significant achievement. Credit must go to the authority and its chair, Virginia Chadwick, in particular for going through what was a very arduous process. There is a range of issues that need more attention in relation to the marine park, not least of which is resourcing, particularly now that there is a larger number of protected areas to oversee and manage. I cannot talk about them in the time available.
to me tonight; therefore, I seek leave to con-
tinue my remarks later.

Leave granted.

Senator IAN MACDONALD (Queens-
land—Minister for Fisheries, Forestry and
Conservation) (6.16 p.m.)—I join with Sena-
tor Bartlett in congratulating the Great Bar-
rier Reef Marine Park Authority on a very
significant and successful year. I am de-
lighted with the work they have done. I do
not always agree 100 per cent with every-
thing they decide, but they have done a fabu-
lous job this last year in very difficult cir-
cumstances in addressing the reef plan and
the rezoning of the Great Barrier Reef. It has
been a year of enormous activity by the au-
thority. I know that not only the board mem-
ers but also very importantly and very ob-
viously the staff have been involved in an
enormous amount of consultations, work,
meetings, travelling, submissions, more con-
sultations, preparing plans and again more consultations—some of them very difficult consultations—and I know a lot of the staff have attended public meetings, which have
got quite heated over certain aspects of the
rezoning, but through all of it the staff have
been polite and very able public servants in
the real sense of the term. I believe they have
done a fabulous job.

I pay particular credit to the Hon. Virginia
Chadwick, the chair of the authority. She has
really excelled in this capacity. I know she has
a very distinguished public record in
many fields, but she will certainly go down in
the annals of the Barrier Reef as one of its
great champions. All credit to her for the
work she has achieved as chair of the board.
I also want to pay tribute to the board gener-
ally, particularly Fay Barker, one of the
members of the board, who I know has been
a great advocate for the marine park and eve-
rything it does and who has worked very
cooperatively, ably and enthusiastically with
other members of the board to achieve their
aims. I will also mention John Tanzer, the
CEO of the authority, and all of his staff, who
of course I cannot mention individually
but they all deserve recognition for their abil-
ity, for the enthusiasm with which they have
undertaken their work and for the great sci-
ence and learning they have brought to many
things they do. I hasten to add, as I said be-
fore, that I do not always agree with the out-
comes or conclusions they have come to, but
certainly they have been very diligent in the
work they have done in this past year in very
difficult circumstances.

Senator Bartlett mentioned the crown-of-
thorns starfish and how that certainly is a
problem. I was delighted just last week to
announce at the Great Barrier Reef Marine
Park Authority headquarters a further Com-
monwealth government investment into the
crown-of-thorns starfish elimination program
of an additional $500,000. Both the Queen-
sland government and the Commonwealth
government had sometime last year commit-
ted $1.5 million to this project to send divers
down to take off crown-of-thorns starfish.
Mr Beattie made his announcement with an
election in mind, as he usually does, with
great fanfare about how great an environ-
mentalist he was. Of course he succeeded yet
again in getting Senator Brown’s Greens
party to just roll over and give their prefer-
ences out, as the ultra left-wing Greens party
always do.

Senator Carr—Ultra left wing now?

Senator IAN MACDONALD—It is a
term I have been using. In fact, they almost
make you look like Margaret Thatcher, Sena-
tor Carr, and that is saying something. We
know how very left you are, Senator Carr,
but the Greens make you look like Margaret
Thatcher. That is how left wing they are.

Senator Carr—Why have you got more
senators than members in the assembly?
The ACTING DEPUTY PRESIDENT (Senator Ferguson)—Order! Senator Carr, if you want to contribute to the debate you will have an opportunity later.

Senator IAN MACDONALD—We had Mr Beattie just before an election saying, ‘This is great news.’ The Greens are rolling over yet again giving him preferences. Of course, in his rush to call an early election, Mr Beattie forgot about signing the cheque for this crown-of-thorns starfish project. So you know what happened? This project was going to stop.

The ACTING DEPUTY PRESIDENT—Order! Your time has expired.

Senator IAN MACDONALD—I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Refugee Review Tribunal

Consideration resumed from 24 November 2003.

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (6.22 p.m.)—I move:

That the Senate take note of the document.

I will speak on the report for 2002-03 of the Refugee Review Tribunal and, to an extent, on the report for 2002-03 of the Migration Review Tribunal as well. The area of refugee decision making is one that has been very contentious and very much debated in this chamber and outside in the community, and the Democrats have played a central role in that debate. The reason I am speaking to these two reports together demonstrates the quite extraordinary disparity between the outcomes from the Migration Review Tribunal and the Refugee Review Tribunal. I should note for those of you that are not aware of it that the principal member of these two tribunals is the same person, Mr Steve Karas. It is not as if they have totally different regimes or a totally different culture that might explain this discrepancy.

The Migration Review Tribunal report looks at the number of decisions finalised in the last financial year—9,714, a pretty big sample. Out of those, 43 per cent of all cases were set aside. That means that 43 per cent of all appeals to the Migration Review Tribunal had an outcome different from the original decision made by the immigration department. That is a pretty big figure, I would suggest. That indicates to me that there is a lot of sloppy decision making being made at the primary level, the departmental level, that people have to try to get fixed up at the tribunal level. That is not good enough. It is particularly not good enough when people have to run the risk of paying a $1,400 fee to get that decision reviewed, and it is particularly not good enough when, as this report shows, the average time for reviewing those cases is pretty much right on a year—362 days. That is down a little bit from the year before—and I suppose this a plus—but the time taken from lodgment to finalisation is 362 days. Over 4,000 people in the last financial year on average had to wait a year and had to run the risk of a $1,400 fee to get the right decision on a migration area.

In some areas it is worse. The worst area is visa refusal for partners where 63 per cent of decisions were overturned. In the area of visitor visas, 64 per cent of decisions were overturned. They are only the people, remember, that took the trouble to appeal. When you are talking about visitor visas—some of the ones I deal with—people have applied to come to the country to go to a funeral or a family wedding or to a particular event. By the time they have appealed the event is over. I had a well-known case of the person who set himself on fire at the front of Parliament House. That was in relation to his refugee situation and his not being able to
have his family join him. His daughter applied to come here simply for the anniversary of his death. I sponsored her to come here, guaranteeing that she would hold to the conditions of her visa and leave, and her visa was still refused by the department. There was no point in her appealing. It would have taken so long that the anniversary would have been over. That is just not satisfactory.

What is even more ironic and quite curious when you look at the Refugee Review Tribunal report is the set aside rate of 5.7 per cent. Why is it that all the decision makers in the migration department on all other visa areas get it wrong 43 per cent of the time but suddenly in the refugee area there is a massive improvement in their skill and ability and they only get it wrong less than six per cent of the time? There are the same big numbers. There were 6,200 decisions finalised in that year. I would love to see the explanation for that. Are there a huge number of skilled people just in the refugee area and not in the rest? If it is true—and I would wonder—that would suggest to me that there is a misdirection of resources. Whilst refugees might be the political priority, the number of applications per year is quite small, I would suggest under 10,000, although I stand to be corrected—there are probably fewer than that. The number of visa applications in other areas would be in the millions. We should be fixing all these geniuses in the refugee assessment and moving them across to all the other visas, because that is where the mistakes are. It is very hard to think it is not political pressure and lack of independence in the Refugee Review Tribunal that makes people less keen on overturning those primary decisions, particularly when it has gone down from 12 per cent in 2001-02 to less than six per cent. Suddenly the department’s primary decision makers have got twice as good in this area. I find that hard to believe because there has been no shift in all the other visa areas—44 per cent set aside to 43 per cent. It is very curious and very hard to explain. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Department of Finance and Administration

Consideration resumed from 4 December 2003.

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (6.29 p.m.)—I move:

That the Senate take note of the document.

I note this document relating to former parliamentarians’ travel paid by the Department of Finance and Administration for last year in the context of the current debate about parliamentarians’ entitlements. Obviously, parliamentarians’ travel, which is covered in another document from the Department of Finance and Administration that has also been tabled, is an area of significant public expenditure. It is one that the Democrats have focused on from time to time as needing greater scrutiny. In significant part, it is because of the pressure applied by the Democrats that we have material such as this now tabled for the public to see the detail of the expenditure of all our travel. I say that as someone who is, I think, reasonably high up in terms of expenditure on travel last year, so it is not something I am trying to hide.

I note the issue in relation to former parliamentarians’ travel and the gold card—the gold card being, in this context, a right for ongoing travel by former parliamentarians after a certain number of years of service. I think it is 20 years service for general MPs, fewer years of service if they have been ministers and fewer again if they have been a prime minister. This is an area of entitlement the Democrats believe should be curtailed as well. We do not begrudge some degree of
assistance for former parliamentarians, and there has been some movement in this regard, but we believe that more should be done in relation to that.

The broader issue of parliamentarians’ entitlements is one that has been focused on this week. I must take this opportunity to say that the Democrats are surprised but pleased with the Prime Minister’s rather unexpected announcement less than an hour ago. I think, that the government would be legislating to wind up the federal parliamentarians superannuation scheme and replacing it with a contributory scheme of nine per cent, bringing it into line with that for many other Australians. Out of all parliamentarians’ entitlements, there is little doubt that parliamentarians’ superannuation is the one that has stuck in the craw, and still sticks in the craw, of the public more than anything else because it is so removed from the entitlements and general community standards that everybody else gets in relation to superannuation. It is also a problem in a purely economic sense in being unfunded and in that sense, as well, it is a welcome shift.

The Democrats started this week by writing to Mr Latham, the opposition leader, congratulating him on his announcement of proposing to do the same thing after the next election. We suggested to him that he should immediately move such legislation in the Senate and that the Democrats would guarantee we would support giving it priority for debate so that it could be passed by the Senate. That, I assessed at the time, would then put very strong pressure on the Prime Minister to agree to pass it through the House of Representatives. Within the space of a day, Mr Latham made his broader, more specific, announcement, which we welcomed, and I again urged him to bring it on for debate in the Senate before the election rather than waiting until after the election in the hope that he wins—and we would hope that he kept his promise. It is interesting to see that the Prime Minister has now decided to do that—to commit to legislate now before the election. The Democrats’ support for Mr Latham to do that obviously extends to the Prime Minister to do the same thing.

That is a very positive development and shows that, if it had been passed by the Senate, the Prime Minister would have found it impossible to resist the pressure. He has obviously found just a few days of public pressure on this issue impossible following Mr Latham’s initiative, to bow to it before legislation had even been passed by the Senate. That is a good sign. It is a good sign about leadership in general. The Democrats have been pushing for this for years. We needed a major party leader to show leadership on it, and the pressure that has caused has caused a shift in the Prime Minister, and that is a great thing. It should be acknowledged all around.

I think it is also important to emphasise that yesterday person after person—I think all of them were Liberal parliamentarians—was saying, ‘Politicians aren’t paid enough; what are you talking about?’ I think that probably stuck in the craw even more, with people saying, ‘Don’t these guys get it?’ So I am pleased to see that the Prime Minister as got it—at least in relation to superannuation. That is only one part of the entitlements. There are other issues for debate, and the Democrats look forward to movement in those areas as well. There are others issues and we will continue to raise them. Hopefully we can get more pressure through further debate leading up to the election. (Time expired)

Question agreed to.

Convention on the Elimination of All Forms of Discrimination Against Women

Debate resumed from 10 February, on motion by Senator Stott Despoja:
That the Senate take note of the document.

Senator CROSSIN (Northern Territory) (6.35 p.m.)—Finally, I would have to say, after asking for this document for 2½ or maybe three years at Senate estimates, we now have the government’s response on how they are implementing the United Nations Convention on the Elimination of All Forms of Discrimination Against Women, commonly known as CEDAW. This document is Australia’s fourth and fifth report on that convention. Actually, it is not the fourth report or the fifth report because, in fact, this government is so far behind in reporting to the United Nations that they have combined the fourth and fifth reports. In fact, this government has not filed any report with the United Nations since 1997.

In the introduction to this document I have in front of me, the government says that this combined fourth and fifth report takes into account the findings of the Commonwealth government’s review of Australia’s engagement in the UN treaty committee system. You might notice that some 18 months ago this government announced that it was going to undertake a review of the UN treaty system and this government’s participation in it. I find it hard to believe that that is the reason this report has taken so long to be cobbled together and finally produced and tabled. In my reading of this report, I do not see anything that reflects the review of Australia’s engagement in the United Nations committee system. I cannot see anything in here that would clearly give the international arena any suggestion that there is some link with the review of what they have done and what is in this report. It remains a mystery to me.

This report is fairly interesting for what it does not tell the international community, for example, that this is the government that took $10 million out of the Partnerships Against Domestic Violence money to pay for their terrorist fridge magnet campaign last year. It does not tell the international community that that is the situation, that the government took money out of a bucket of funding targeted directly at preventing domestic violence and used it in its antiterror campaign and its scare campaign to boost its arguments in relation to national security. It took money away from preventing violence against women and children to pay for fridge magnets. It does not tell the international community that it pulled the plug on another phase of its domestic violence program prior to Christmas, a program and an advertising campaign that was aimed at preventing verbal abuse. It does not tell the international community that that is what it has done with its domestic violence programs.

There is very little time tonight to go into all the details of this document—which is why I would seek leave to continue my remarks later—but it is a travelogue, really. As...
I said, it does not tell the full picture of what this country has done to women’s issues, it does not tell the full picture about the impact of this government’s policies on women in this country and it fails to reveal the true story when it comes to what this government is doing. Changes to HREOC, for example, are not mentioned, yet the words ‘gender mainstreaming’ are. An increase in the number of women in work is mentioned, but it fails to say that they are mainly in casual and part-time employment. But this report has finally been tabled and it is long overdue. I seek leave to continue my remarks later.

Leave granted.

Senator IAN MACDONALD (Queensland—Minister for Fisheries, Forestry and Conservation) (6.40 p.m.)—I want to comment briefly on the report before the Senate, Women in Australia. This combined fourth and fifth report on the Convention on the Elimination of All Forms of Discrimination Against Women does provide comprehensive information on the status of women in Australia, their key achievements and the areas for improvement by all governments—including, I might add, the state and territory governments.

It is worth noting the major advances in the status of women in Australia since the last progress report in 1995. There has been a general upward trend in women’s participation in the labour force. Between March 1996 and December 2003, there was an 18.3 per cent increase in the total number of women employed. I will not claim that that is as a result of the election of the Howard government in 1996, but it does indeed show that the Howard government does support women in their achievements and goals.

In that same period, there has been a 380 per cent increase in new apprenticeships for women. That is not bad either; in fact, it is very good. In 1999, female graduates in medicine outnumbered male graduates for the first time. I think that is another great achievement. There has been a 50 per cent reduction in the number of deaths from cervical cancer in the last 10 years. Interestingly, in 2003 women held 34 per cent of Australian government board positions. I might add that the women in those positions get them on merit, not because of some sort of artificially imposed quota like the one that one political party in this chamber seems to have to rely upon. There is no concern about merit; it is in the quota so it has to be there.

I think it is important that the United Nations has acknowledged that Australia has an excellent record in providing comprehensive reports on the status of women, including Australia’s reports on the implementation of the Beijing Platform for Action and the Convention on the Elimination of All Forms of Discrimination Against Women. I do not want to further delay the chamber today, but just in passing I want to mention an issue that I always think should be given greater publicity in Australia—that is, Australia’s involvement in Afghanistan. It was opposed by many people, and I particularly remember the Greens ultra-left-wing party opposing it.

Senator Bartlett interjecting—

Senator IAN MACDONALD—If you say that, Senator Bartlett, I could agree with you. I seem to remember that some people in Australia did oppose it. But some people might remember the very repressive regime of the Taliban in Afghanistan towards women. Whilst people may argue about the purpose of entering into the conflict in Afghanistan, I for one always feel proud that Australia was part of the coalition of nations that was prepared to go in and get a better regime for the people of Afghanistan, but particularly for the women of Afghanistan. I think it is well documented how, under the Taliban regime, women in that country were
very much second-class citizens—and perhaps even lower than that.

The treatment of women under the Taliban is something that should have been commented on before. The people you hear going on about women’s issues in Australia regretfully seem to forget those sorts of things that this nation was part of overcoming in the change of regime in Afghanistan. It is occasionally worth while to reflect on how Australia’s involvement in the conflict in Afghanistan made things much better for women in that country. That action for women never achieves the recognition that I think it perhaps should.

Senator HOGG (Queensland) (6.45 p.m.)—I am interested to have this matter remain on the Notice Paper. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Consideration

The following orders of the day relating to government documents were considered:

Aboriginal Land Commissioner—Report for 2002-03. Motion of Senator Crossin to take note of document agreed to.

Gene Technology Regulator—Quarterly report for the period 1 April to 30 June 2003. Motion of Senator Crossin to take note of document agreed to.

Indigenous Land Corporation—Report for 2002-03. Motion of Senator Crossin to take note of document agreed to.


Torres Strait Regional Authority—Report for 2002-03. Motion of Senator Crossin to take note of document agreed to.

Department of the Prime Minister and Cabinet—Report for 2002-03. Motion of Senator Crossin to take note of document agreed to.

Australian National Training Authority—Report for 2002-03. Motion of Senator George Campbell to take note of document agreed to.

Australian National Training Authority—Australian vocational education and training system—Report for 2002—Volume 1 and 2. Motion of Senator George Campbell to take note of document agreed to.

Australian National Training Authority—Australian vocational education and training system—Report for 2002—Volume 3. Motion of Senator George Campbell to take note of document agreed to.

Australian Research Council—Report for 2002-03. Motion of Senator Crossin to take note of document agreed to.

National Gallery of Australia—Report for 2002-03. Motion of Senator Crossin to take note of document agreed to.


Cotton Research and Development Corporation and Cotton Research and Development Corporation Selection Committee—Report for 2002-03. Motion of Senator Crossin to take note of document agreed to.

Department of Education, Science and Training—Report for 2002-03. Motion of Senator Crossin to take note of document agreed to.

Department of the Environment and Heritage—Report for 2002-03. Motion of Senator Crossin to take note of document called on. Debate adjourned till Thursday at general business, the Leader of the Australian Democrats (Senator Bartlett) in continuation.

Supervising Scientist—Report for 2002-03 on the operation of the Environment Protection (Alligator Rivers Region) Act
1978. Motion of Senator Crossin to take note of document agreed to.

Director of National Parks—Report for 2002-03. Motion of Senator Crossin to take note of document agreed to.

Department of Immigration and Multicultural and Indigenous Affairs—Report for 2002-03. Motion of the Leader of the Australian Democrats (Senator Bartlett) to take note of document called on. Debate adjourned till Thursday at general business, Senator Bartlett in continuation.

Employment Advocate—Report for 2002-03. Motion of Senator Hutchins to take note of document agreed to.

Equal Opportunity for Women in the Workplace Agency—Report for 1 June 2002 to 31 May 2003. Motion of Senator Mackay to take note of document agreed to.

Grains Research and Development Corporation and Grains Research and Development Corporation Selection Committee—Reports for 2002-03. Motion of Senator O’Brien to take note of document agreed to.


Migration Review Tribunal—Report for 2002-03. Motion to take note of document moved by the Leader of the Australian Democrats (Senator Bartlett). Debate adjourned till Thursday at general business, Senator Bartlett in continuation.

List of multilateral treaty actions under negotiation, consideration or review by the Australian Government as at December 2003. Motion to take note of document moved by the Leader of the Australian Democrats (Senator Bartlett). Debate adjourned till Thursday at general business, Senator Bartlett in continuation.

General business orders of the day nos 24 to 29, 31 to 48, 51, 52, 54 to 86, 88 to 92, 94 to 113, 115 to 131, 133 to 139 and 141 to 145 relating to government documents were called on but no motion was moved.

COMMITTEES

Membership

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

Senator IAN MACDONALD (Queensland—Minister for Fisheries, Forestry and Conservation) (6.46 p.m.)—by leave—I move:

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

Environment, Communications, Information Technology and the Arts Legislation Committee—

Appointed, as a substitute member for the consideration of the 2003-2004 additional estimates hearings on 16 February 2004 from 6pm: Senator Humphries to replace Senator Santoro.
Foreign Affairs, Defence and Trade Legislation Committee—

Appointed, as substitute members for the consideration of the 2003-2004 additional estimates hearings on 20 February 2004:
Senator McGauran to replace Senator Sandy Macdonald, and Senator Colbeck to replace Senator Ferguson

Free Trade Agreement—Australia and the United States of America—Select Committee—

Appointed: Senators Boswell, Brandis, Conroy, Cook, Ferris, O’Brien and Ridgeway

Rural and Regional Affairs and Transport Legislation Committee—

Appointed, as a substitute member for the consideration of the 2003-2004 additional estimates hearings on 16 February 2004:
Senator McGauran to replace Senator Colbeck.
Question agreed to.

Medicare Committee

Report

Debate resumed from 11 February, on motion by Senator McLucas:

That the Senate take note of the report.

Senator LUDWIG (Queensland) (6.47 p.m.)—The Senate Select Committee on Medicare report Medicare Plus: the future for Medicare? highlighted the problems associated with the Howard government’s approach to Medicare and the health system in Australia. In its executive summary the committee admitted that it remained uneasy about the policy fundamentals of the government package. It said that the implicit message in the Medicare Plus package remains primarily that the role of Medicare is as a welfare system, not one giving equal benefits to all Australians irrespective of income. Considering the proposals for new safety nets, the committee first identified the underlying need for change to the current arrangements. It was made clear that, under existing arrangements, there is potential for out-of-pocket costs to mount up to levels which are unaffordable for many Australians.

However, the safety net proposal before the Senate is a problem for a number of reasons, which I will outline. At a basic level, the separation of the proposed safety net into two thresholds creates a substantial divide in the health area. The universality of the Medicare program was to ensure that divides between the affluent and low-income earners would not be an issue in health care. The committee has concerns about this. It demonstrated those in outlining its recommendations on the safety nets listed in the bill. It is also evident that both the $500 and $1,000 thresholds are too high to deliver meaningful benefits to any more than a tiny handful of Australians each year. While the proposal certainly would benefit a few recipients, the safety net would do nothing for the majority of Australians.

The committee reported on the falling levels of bulk-billing and the rising gap charges and found that thresholds were set too high to effectively tackle the significant costs of accessing basic health care. The financial hardship faced by many Australians could mean a decrease in the number of people seeking medical assistance on non-urgent matters which may later become life-threatening. This government refuses to acknowledge that many in the community are not as well off as some in here. These people are low-income earners with mortgages and families to care for. I quote from the report:

The Committee ... finds that the two categories chosen by the government for receiving the lower threshold—concessional status or receipt of the Family Tax Benefit (A)—are each poor measures of need. In particular, too many working people on low incomes and chronically ill individuals have a struggle meeting health costs, but do not qualify for concession cards.

To be clear about this—and it is a little tricky—the government has floated the idea
of linking the lower thresholds to concessional status or receipt of family tax benefit A. What it has done in its proposal is link these to the family tax system. The government seeks to link a vital health issue to a system that failed many thousands of people last financial year. The government wants to link its threshold to a payment that has failed hundreds of thousands of Australians and forced them into waiting for tax time to retrieve a top-up payment.

In the government’s wisdom, in proposing this method for lower thresholds it did not even stop to consider how flawed its family tax system is. Did it check with the Minister for Family and Community Services whether the system was good enough to base health care access on? I doubt it. Did it check the figures on how many people opted out of the family tax system because of the flaws, thus losing the valuable concession card the government wants to link the safety net to? I doubt it. The minister has said on many occasions that people who incur debts should overestimate their income and get a top-up at the end of the year. Did the government stop to consider that the advice given by its own ministers in relation to the family payment could raise a person’s income above the low threshold it has proposed? I doubt it.

The alternative suggested by the minister was to wait until tax time to get a lump sum, rather than trust the system to work with fluctuations in the income. You would have to say that that in itself is absurd. Why should members of the community have to wait until the end of the financial year to seek assistance under the lower threshold because they may earn a few extra dollars? Do we trust something as vital as our health care to a system that is fundamentally flawed? I do not think we should have that link and it seems that the committee agreed with me on that point.

A further problem with the proposed link is discrimination against those with dependent children. The flip side of the family tax benefit A income thresholds for those with dependent children is the very low cut-off levels for those without children. A single person without children would endure the $1,000 threshold on an income of less than one-quarter that of their neighbour on $80,000. This means that a low-income single person with a chronic illness who remains in the work force would have to spend $1,000 in order to receive assistance with health care, as I understand it. As well as being patently unfair and discriminatory against single people, this deepens the poverty trap for many Australians. It is a shame that the government could not turn its mind to restructuring and increasing the bulk-billing rates and to doing far more than simply pursuing the bill and using the report to highlight from the government side some of the things it thinks will work. I have tried to demonstrate here this evening that it will not work, that the government’s model is flawed and that it should be abandoned.

Question agreed to.

Foreign Affairs, Defence and Trade References Committee

Report

Debate resumed from 27 November, on motion by Senator Cook:

That the Senate take note of the report.

Senator HOGG (Queensland) (6.54 p.m.)—I rise to speak about this particular issue because it gives me an opportunity to address the issue of sugar being left out of the free trade agreement. In the report of November 2003, Voting on trade: The General Agreement on Trade in Services and an Australia-US free trade agreement, brought down by the Senate Foreign Affairs, Defence and Trade References Committee, the issue of what would happen in the free trade nego-
tions was canvassed at length. Before I make a few comments on the outcome of those negotiations, it is worth while looking at what was put before the committee and what appeared in its report, which was obviously ahead of the conclusion of the negotiations. At page 136 of the report the committee noted:

The Committee sought to determine a clear sense of the position of Australia’s major agricultural interests with respect to the US FTA. The following is typical of the quite categorical views that were expressed:

And the quote in the body of the document reads:

The National Farmers Federation will support the negotiation of a US FTA, on the condition that agriculture is at the heart of the negotiations and the final agreement. What does at the heart mean; what are we seeking? [T]he US is an important market, but we do face several restrictions into the US for several of our commodities. The NFF seeks the elimination of tariffs and tariff rate quotas on agricultural exports to the United States. We seek this elimination upfront when the agreement is signed not subject to long time lines.

Of course, that was said well in advance of the negotiations and, of course, the government were aware of the NFF view. What they put to the committee, and what ultimately has come out, was not delivered as part of the negotiations. But one should look further at what was said by Australia’s lead negotiator, Mr Deady, who I understand performed that role before the negotiations were taken over by the minister himself. On page 136 it is recorded that Mr Deady said to the committee:

We need a significant, immediate improvement in access into that market and we need to be looking at the elimination of all border protections, tariffs and quotas on Australian exports of agricultural exports into the United States. That package has to include those elements: significant and immediate improvements in the transparent process leading to the full elimination of tariffs and other quotas on agricultural products into the US market.

So it was to include all agricultural products. Nothing was excluded. If one looks at the back of the report one can see that we went to the Australian objectives, which are listed in appendix 3. It is made quite clear at the second dot point under the heading ‘Trade in industrial goods and agriculture’ on page 168, which said:

Seek the removal of tariff rate quota restrictions on Australian exports to the United States, including those affecting exports of beef, dairy products, sugar, peanuts and cotton.

So the list was quite specific. If it had not been quite as specific, one would not have thought that sugar would have been a problem. But my particular complaint about what has happened, without going into the whole of the agreement, which we have not had the ability to canvass at this stage, is in relation to sugar. Last week in Queensland we had an election. Of course, the vote in the sugar seats was very important indeed. I happened to be in the federal seat of Hinkler, which encompasses the Queensland seats of Bundaberg and Burnett.

Senator Ian Macdonald—You didn’t do very well.

Senator HOGG—We won Bundaberg, Minister, you might note.

Senator Ian Macdonald—You lost Burnett.

Senator HOGG—We lost the seat of Burnett. It would have been good if the federal government had been honest about where things were with sugar and if they had been up-front with the electors in Queensland, particularly those sugar cane growers, such that they could have made up their minds in the full knowledge of what was happening in the FTA. But of course that did not happen. Silence prevailed over the fate of sugar in the FTA. Contrast that with what
was being said throughout the period of the negotiations. For example, early on in the
process Minister Vaile told the Channel Nine
Sunday program, on 16 March last year:
Some might term it a ‘free-er’ trade deal, that’s on
its way to a free trade agreement. Of course we’re
going to pursue as much liberalisation as we can,
and as I say, it may be progressively introduced.
We’ve seen that in other negotiations, but we
need all sectors addressed, and we need to be
moving ahead in all sectors.
It is worth repeating Minister Vaile’s last
comment:
... we need all sectors addressed, and we need to
be moving ahead in all sectors.
On Australia Day this year Minister Vaile,
from Washington, appeared on the Channel 9
Today show. Minister Vaile said:
Well I suppose it’s fair to say that these talks are
now reaching the final stages. To put it in cricket-
ing terms, we’re probably in the 50th over of a
One Day Match or the ninth innings of a baseball
game. They go like this and it gets toughest at the
end. We’ve continued to say that this deal must be
comprehensive to be acceptable. It must include
agriculture and sugar must be part of the deal.
There was clearly no doubt in what Minister
Vaile was saying as late as Australia Day this
year: sugar had to be part of the deal on agri-
culture. If it was not to be part of the deal then those voters in the state of Queensland
should have been apprised of the situation prior to them casting their vote last Saturday.
But they were not. Again we saw this gov-
ernment in its mean, sneaky and tricky mode.
They were not telling people the facts of
what was going on.
For the coalition and particularly their
partners, The Nationals, last week in Queen-
sland, it may have served their purposes well
in the short term. But in the long-term the
loss will be that they will not be believed
when the federal election comes around. Of
course that is good for Labor. Clearly the
sugar industry had been reassured that they
would not be left out of the FTA with the US,
but they were. The reaction, as expressed by
some of the cane growers, came out in the
Bundaberg News-Mail on 10 February after
the Queensland election and after the an-
nouncement that sugar had been excluded
from the FTA. What do we find? The head-
ning on that day in the Bundaberg News-Mail
says ‘FTA deal leaves growers angry’. The
first couple of paragraphs make interesting
reading indeed:
BUNDABERG district cane growers are predict-
ing a backlash against the federal government
after sugar was excluded from a Free Trade
Agreement with the US yesterday.
Canegrowers Isis chairman Joe Russo said he
had been fielding calls all day from stunned and
angered growers.
So they were both stunned and angered.
They had an expectation that sugar was go-
ing to be delivered in the FTA. He says:
"For the last fortnight they have said sugar was
going to stay on the table," Mr Russo said.
So they felt abandoned by the coalition, who
had assured them over a long period of time
that sugar was to be included. Then this arti-
cle goes on to an analysis, which says:
National’s Member for Hinkler Paul Neville
said he disagreed with colleague De-Anne Kelly,
who warned the decision could mean she lost her
seat of Dawson at the federal election.
“I don’t think my seat is at risk because I’m
going to fight for the cane growers as I always
have,” he said.
Mr Neville said the decision made him more
committed to getting a better deal for the sugar
industry from the government.
Mr Neville, that is a very poor statement in-
deed, because you and your government
clearly deserted the sugar people in the seat
of Hinkler, and clearly they will take their
revenge on you when the time comes.

Senator MARSHALL (Victoria) (7.04
p.m.)—I also rise to speak on this report,
Voting on trade: the General Agreement on Trade in Services and an Australia-US free trade agreement, tabled by the Foreign Affairs, Defence and Trade References Committee. I should say at the outset that in my relatively short time in the Senate I have been constantly amazed at the incredible talent and support of the secretarial staff of the Senate committee structure in assisting the senators in putting together these reports. I certainly want to thank all of the secretariat, in particular Brenton Holmes and Saxon Patience, for their very good work in the final preparation of this report. The report went to the free trade agreement with the United States. In some respects it was a very difficult report to write because we were actually inquiring into something that had not yet taken place. It has now taken place and we have seen the debate really pick up this week. I think the report has given those members of the committee a very good grounding to participate in this debate in a very constructive way.

The debate so far in the Senate has really been around what our access has been into the United States. Clearly, from what we understand—even though we have not seen the final text of the agreement; we have not seen the black letter of it—there have been some gains. Certainly those of us on this side of the house welcome those. I am rather concerned that the beef arrangement has institutionalised a quota and tariff system for the next 18 years. Even at the conclusion of 18 years, if the price of beef in the US drops by a mere six-odd per cent, tariffs and quotas will be reintroduced. This is not free trade. This is not a free trade agreement. While again I accept there have been some gains, there are also some very large disappointments in this agreement. At the end of the debate it will be a matter of balance—that is clear. We will not be able to determine that balance until this report is examined by the select committee set up by the Senate to do that task. The Joint Standing Committee on Treaties will also do an investigation into the report.

The other point which has not been talked about, as I pointed out earlier, is that trade is a two-way street. There has been very little debate about access to our markets from the US. In particular something that concerns me is manufacturing, being from Victoria, which is the heart of the manufacturing base of this country. I just want to quote the summary of the agreement from the Office of the United States Trade Representative with respect to manufacturing. They say:

This is the most significant immediate reduction of industrial tariffs ever achieved in a U.S. FTA, and will provide benefits for America’s manufacturing workers and companies. U.S. manufacturers estimate that the elimination of tariffs could result in $2 billion per year—

that is US dollars—in increased U.S. exports of manufactured goods. There will be immediate benefits for such key U.S. manufacturing sectors as:

--Autos and auto parts -- Chemicals, plastics, and soda ash -- Construction equipment -- Electrical equipment and appliances -- Fabricated metal products -- Furniture and fixtures -- Information technology products -- Medical and scientific equipment -- Non-electrical machinery -- Paper and wood products.

All of those industries already exist in Victoria so when the US has $US2 billion worth of imports—that is their prediction—a lot of those will come into Victoria and compete with Victorian and other Australian industry and jobs. Where is the econometric modelling to determine what impact those imports from the US into Australia will have on our industries, on our jobs and on the regions where a lot of these industries are based? There has been none, and that is part of the mix that has to be in the balance. We have to look at these things in their totality.
There is another area, which is a procedural process of these agreements, which has not been raised in the debate. I have not got time to go into all the matters that concern me. I am sure we will be doing that over the coming months in this debate on trade, which is going to be with us for some time. This US free trade agreement has been developed on what we know as the negative list approach. Under an agreement using the negative list approach all trade in services and investment is regarded as automatically free apart from any items that are specifically excluded from liberalisation—that is the negative list. Governments normally achieve this exclusion by taking out reservations with respect to certain services, thereby retaining their right to regulate or amend policies regarding those services into the future. These reservations are normally spelled out in annexes to the main agreement.

One annex will be a standstill, where we have a measure that is inconsistent with our obligations under a free trade agreement but where we effectively agree to be bound. We agree not to make that measure any more inconsistent and have it become any more trade restrictive than at the date of entry into force of the negotiations. So arrangements we have in place stand still but we cannot increase any protection, government subsidy or industry assistance. That is the value of those bindings.

Another annex to the negative list allows us to carve out whole sectors from the obligations in those two chapters of services and investment. That means the government maintains full flexibility to introduce new and more restrictive measures in relation to those sectors. Unless these sectors are carved out at the time of negotiating the agreement, there is no further opportunity to add to the list. So if you do not get it right and if you do not include those areas you want carved out, under the negative list approach you cannot add later. Again, until we see the detail we do not know what the government has carved out in the negative list.

I certainly agree that a negative list approach is inherently more liberalising, and acknowledge the use of annexes to reserve or carve out certain specific services from the universal coverage of the agreement. However, it is the very universality of the agreement—covering present and yet-to-emerge services, and binding governments into the future—that is, in my view, very problematic. The primary problem with a negative list approach is that all future services that have not yet been created—have not been developed, or have not yet evolved—are automatically liberalised with a negative list approach. I find it difficult to understand the logic of precluding the regulatory options of future governments for future services whose dynamics and needs are not yet known. At least with a positive list approach, whilst there may well be some arguments about what should and should not be included on the list, you are not foreclosing the future for future regulatory needs in the interests of our community.

The other problem with a negative list approach is that with your existing service sector you have one opportunity to get it right—the first time—in deciding what provisions need to go in that annex that retain the ability to introduce new trade restrictive measures, and what sectors need to go in the annex that only allow you to maintain your existing trade restrictive measures. They are the two concerns I have with that structure.

The negative list approach raises several issues of accountability and responsibility that must be weighed against the argument for the inherently liberalising effect of the negative list. As parliamentarians we have a special duty of care under these circumstances. We have a responsibility to the citi-
zens that we currently represent to ensure that any commitments undertaken serve our constituents’ economic and social interests. We also owe a duty of care to future generations who may have to live with the adverse consequences flowing from commitments made.

For example, an agreement struck some years ago without foreknowledge of the advent of the Internet, may have led to commitments in electronic communications that prevented later governments regulating to control pornographic content on the Internet. Clearly, if this agreement was made 15 years ago, we would have been prohibited by that treaty from legislating for any trade restrictive matter to fulfil our social responsibilities to our constituents. Another good example is the trade in genetic materials. If we had made this agreement under the negative list only five years ago, before we understood stem cell research and trade in genetic materials, we would have been forbidden from restricting trade in those materials with the United States. We would not have been able to do that.

Parliamentarians of the future, too, will have to grapple with any issues that may arise if undertakings implied by the negative list approach deny them the capacity to regulate for desired social policy outcomes. Parliamentarians and ministers cannot see into the future. Therefore, the negative list, in my view, is a lazy and dangerous approach to trade agreements and trade negotiations and we abrogate our responsibility to our constituents by conceding a negative list approach. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Consideration

The following orders of the day relating to committee reports and government responses were considered:

- Corporations and Financial Services—Joint Statutory Committee—Reports—Money matters in the bush: Inquiry into the level of banking and financial services in rural, regional and remote areas of Australia ATM fee structure
- Motion of the chair of the committee (Senator Chapman) to take note of reports agreed to.
- Foreign Affairs, Defence and Trade References Committee—Report—The (not quite) White Paper: Australia’s foreign affairs and trade policy, Advancing the National Interest. Motion of the chair of the committee (Senator Cook) to take note of report agreed to.
- Finance and Public Administration References Committee—Report—Administrative review of veteran and military compensation and income support. Motion of the chair of the committee (Senator Forshaw) to take note of report agreed to.
- National Capital and External Territories—Joint Standing Committee—Report—Quis custodiet ipsos custodes? Inquiry into governance on Norfolk Island. Motion of the chair of the committee (Senator Lightfoot) to take note of report agreed to.
- Employment, Workplace Relations and Education References Committee—Report—Hacking Australia’s future: Threats to institutional autonomy, academic freedom and student choice in Australian higher education. Motion of Senator Stott Despoja to take note of report agreed to.
- Medicare—Select Committee—Report—Medicare—healthcare or welfare? Motion
of the chair of the committee (Senator McLucas) to take note of report agreed to.

Treaties—Joint Standing Committee—55th report—Treaties tabled on 9 September 2003. Motion of Senator Crossin to take note of report agreed to.

Finance and Public Administration References Committee—Report—Staff employed under the Members of Parliament (Staff) Act 1984. Motion of the chair of the committee (Senator Forshaw) to take note of report agreed to.

Environment, Communications, Information Technology and the Arts References Committee—Report—Libraries in the online environment. Motion of the chair of the committee (Senator Cherry) to take note of report agreed to.

Employment, Workplace Relations and Education References Committee—Report—Order for production of documents on university finances. Motion of Senator Carr to take note of report agreed to.

National Capital and External Territories—Joint Standing Committee—Report—Not a town centre: The proposal for pay parking in the Parliamentary Zone. Motion of the chair of the committee (Senator Lightfoot) to take note of report agreed to.

**DOCUMENTS**

**Auditor-General’s Reports**

Report No. 16 of 2003-04

Senator HOGG (Queensland) (7.15 p.m.)—I move:

That the Senate take note of the document.

Audit Report No. 16 of 2003-04 is titled *Performance audit: Administration of consular services follow-up audit: Department of Foreign Affairs and Trade*. I have a great deal of time for the work of the Australian National Audit Office in the majority of its reports. I looked at this report in particular because it is a follow-up audit and it also follows on from investigations that have been made by the Senate Foreign Affairs, Defence and Trade References Committee of this parliament on at least two occasions. I happened to be a member of that committee back in June 1997 when the report of the committee about helping Australians abroad was brought down. It was a review of the Australian government’s consular services, and I note that two of the people involved in that particular inquiry—Senator Forshaw, who was then the chair of the committee, and Senator Troeth, who was the deputy chair—happen to be in the chamber now. That inquiry tackled some very difficult issues indeed and some real advances were made as a result of the report of that committee.

The ANAO has done an inquiry into consular services, and I am going to particularly look at the issue of travel advisories because that is so important to us in the post September 11 environment and also the post Bali environment. Travel advisories, on which so many Australians depend when they travel overseas, need to be accurate and to reflect the circumstances that may well face Australians when they travel. So the follow-up audit by the ANAO is welcome indeed. It should be pointed out that there is a current inquiry before the Senate Foreign Affairs, Defence and Trade References Committee on the Bali experience and the travel advisories that existed at that time. That report is not due to be handed down yet but I am sure that it will further stimulate changes in the Department of Foreign Affairs and Trade. I think it is worth noting some of the things that appear about travel advisories in this ANAO report. On page 48 it states:

The ANAO found that DFAT has substantially implemented part (a) of Recommendation 2. Recommendation 2 was:

... that DFAT strengthen its management of travel advisories to ensure that it is able to provide adequate assurance that Australians are appropriately advised of travel risks by:
a) systematically applying procedures for assessing the need for travel advisories, and appropriately documenting the assessment; and

b) ensuring that travel warnings in travel advisories are highlighted, and their severity clearly explained.

This might not have been such a concern a number of years ago, but with the advance of international terrorism, of course, this now weighs very much on the minds of people as they travel throughout the world. So the ANAO have found that the Department of Foreign Affairs and Trade have substantially implemented recommendation 2.

In going through the report I note that travel advisories, which used to be reviewed at six-monthly intervals, have now been brought back to at least three-monthly intervals. I note later in the report that somewhere in the vicinity of 87 per cent of these reviews take place within the required three months, and that is a pleasing figure indeed. Only seven per cent were more than four months old and no travel advisories were more than seven weeks out of date, so that is a vast improvement even on what existed at the time of the 1997 inquiry. The ANAO further noted:

... a sample of travel advisories ... found that, generally, the new procedures for review of travel advisories are followed and documented. There was also a higher level of interaction between posts and DFAT compared with the previous audit. Posts provide regular situation reports on local incidents and security concerns. A heightened level of liaison was also noticeable between DFAT and partner governments ...

So the report confirms, not only in the minds of senators but also in the minds of the travelling public and the people of Australia, that the bodies that are in place, whether they be Senate review committees or the Australian National Audit Office, do have a function, do have a role and do ensure that, in this important area, things are on the improve, that there is a close scrutiny and that the Australian people are benefiting.

I am not saying by any stretch of the imagination that all is as one would totally like in the area of travel advisories—I would have to await the outcome of the current inquiry of the Senate Foreign Affairs, Defence and Trade Committee post the Bali experience—but it does certainly give one a little bit of confidence reading this report, the follow-up report by the ANAO, that things are definitely improving. This is seen particularly at page 53, where at figure 4.5 the ANAO outline changes to the warning levels for travel advisories. It is interesting to note that the warning levels prior to June 2003 were four in number and were fairly constrained. I will go through these briefly. The first one was ‘Exercise care’. The second one was ‘Maintain a high level of personal security awareness’. The next one was ‘Consider deferring holiday or non-essential business travel’. The last was ‘Defer all travel’.

Post June 2003 that has been expanded by at least another three points. They are now: ‘Exercise good personal security awareness’, ‘Be especially alert to their own security’, ‘Exercise caution and be aware of developments that might affect their safety’, ‘Exercise a high degree of (or “extreme”) caution’, ‘Defer all non-essential travel’, ‘Defer (or avoid) all travel’ and ‘Not to travel and, for Australians in country, to depart immediately by whatever means available’.

That might not seem a great deal but it certainly has highlighted the fact that the warnings that were available for travel advisories prior to June 2003 needed some upgrading. They have been upgraded, but you will find when you get further into the report that even those are not necessarily seen to be sufficient in themselves, because when they appear in travel advisories the language that ultimately is used can be a mix and match of
all of the various warnings that are there. The ANAO calls for greater clarification and better use of clear language to ensure that routine travel information does not get mixed up with some of the important messages that are available in these travel advisories for Australians travelling overseas. I commend the report to the Senate and I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Consideration

The following orders of the day relating to reports of the Auditor-General were considered:


Orders of the day nos 2 to 5, 7 to 13 and 15 to 17 relating to reports of the Auditor-General were called on but no motion was moved.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Kirk)—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.

Foreign Affairs: Sri Lanka

Senator WATSON (Tasmania) (7.26 p.m.)—Late last year I tabled a report in the Senate on the Australian parliamentary delegation visit to Sri Lanka and Bangladesh in October 2003. The visit to Sri Lanka was the first official visit by an Australian parliamentary delegation for eight years. One of the focuses of that visit was on the progress of the peace process in Sri Lanka, which has been tumultuous. There is a lot of interest in Australia in that, because there are over 100,000 people from Sri Lanka currently in Australia. Tonight I wish to comment on several developments affecting the peace process since our visit.

At the time of the visit, a cease-fire between the government of Sri Lanka and the Liberation Tigers of Tamil Elam—often referred to as LTTE—had been holding for 19 months. This was the longest cease-fire in almost 20 years of conflict. The cease-fire had provided an important respite for the country and its people from the violence and security restrictions that had been the norm for the past 20 years. As a result of the peace process, the economy had improved significantly and a degree of normality had begun to return to the country.

The delegation discussed the peace process in a range of meetings—with the Prime Minister and other representatives of the government, representatives of the opposition, Tamil and Muslim groups, the military and civil society. We noted that the conflict in Sri Lanka reflected many longstanding and complex issues. It had continued for almost a generation, and many people in the country had little experience of a country at peace. There are a range of interests and many are mutually exclusive. The Sinhalese and Tamil communities are separated by language and, to an extent, geography. There are many and significant grievances on both sides, and there was considerable distrust.

The separatist insurgency, which began in 1983, has claimed more than 60,000 lives. The delegation recognised that, in this situation, it would be extremely difficult to advance the peace process, despite it being in the national interest and in the long-term interests of all parties. The peace process
suffered a setback not long after our visit ended in November 2003, when President Ms Chandrika Kumaratunga sacked three cabinet ministers on the grounds that the government had jeopardised national security and took direct control of the defence, interior and information portfolios herself.

Under the Sri Lankan constitution, the president is the head of state, government, cabinet and the armed forces. The previous elections, in 2001, were marred by hundreds of incidents of violence. Many saw the results as an indication from the electorate of its desire for the two opposing parties to work cooperatively in the peace process. Certainly, many in the business community had wanted the two parties to find ways to work together. Sri Lanka has been in the invidious position whereby the president and the prime minister have actually come from opposing parties, making cohabitation almost impossible at times. The Tamil Tigers claim that the power struggle between the two has crippled the government and destabilised the peace process. Many observers believe that the peace process has been further jeopardised by the president’s recent actions in dissolving parliament almost four years before the next general elections are due and calling a snap election, to be held on 2 April. The peace process and the country’s economy are issues that are likely to dominate the election campaign.

It seems from the president’s decision to call a snap election that she is confident of her party’s success. She has, controversially, formed an alliance with former leftist revolutionaries from the JVP, the People’s Liberation Front. It is expected that the new party, the United People’s Freedom Front, will appeal to the nationalism of the majority Sinhala community by highlighting the failure of the LTTE to abide by the human rights clauses contained in the cease-fire agreement. If the present prime minister is returned, then it is likely that the power struggle with the president will continue. On the other hand, if the president wins there are deep concerns about the intrinsic differences between her party and her leftist allies over the peace process. In the past the JVP has criticised the role of the Norwegian mediators, as it is opposed to the devolution of power to the LTTE as a means of resolving the ethnic conflict. Added to this, the LTTE’s past relationship with the president could only be described as hostile, evidenced by the assassination attempt in 1999 which resulted in the president losing sight from one eye.

A significant factor for the country has been the international community’s pledge of funding of $US4.5 billion in loans and grants for Sri Lanka’s reconstruction and development over the next four years. However, following the LTTE’s suspension of its particular participation in peace talks with the government, aid funding largely stopped flowing to the country. This was a tragedy for the country and its people. There is, indeed, a compelling irrationality in the country. On the other hand, I must commend Australia for its continuing financial commitment despite what has happened. In light of the most recent events, there is now grave concern about the $US4.5 billion in foreign aid pledged. Much of the aid was conditional upon progress at the peace talks, which were due to resume in January 2004. There are fears also that the election campaign will reduce investor confidence. For example, on the first day of trading following the announcement of the election, the Colombo stock exchange dropped in value by over 10 per cent.

Australia has listed the LTTE as a terrorist organisation whose assets in Australia can be seized. Australia has not considered softening its position. I believe that all responsible senators and others would urge the LTTE to
return to the negotiating table to resume the peace talks and to do so in a spirit of concession and compromise. The people on the ground in the north-east have very real needs, and aid funding needs to begin to flow now. In its report, the delegation urges the government and the opposition of Sri Lanka to work together constructively for the good of the country and its people. Despite their many differences, the fundamental positions of the two major political parties on the way forward for peace appear somewhat similar.

A secondary focus of our visit related to economic issues including opportunities for increased trade and investment for Australia. We also visited and assessed the performance of projects funded under Australia’s aid program, which were indeed very significant. A visitor to Sri Lanka is struck by an impression of a country to an extent frozen in time. Sri Lanka’s economy has largely been static for the past 20 years or so. If the cease-fire continues and if the LTTE returns to the peace talks, enabling major aid funding to begin to flow, the economy may be able to begin to take off. As a result, there are many potential opportunities for further expanding trade and investment links between Australia and Sri Lanka. However, without greater certainty about the prospects of peace and the continuation of the cease-fire, there are significant risks for foreign investment in Sri Lanka. The whole process is in limbo until the elections have been held.

The parliamentary delegation visited the Jaffna peninsula, where we saw some of the worst of the conflict of the past. We saw the widespread destruction as a result of the conflict. There are many needs on the ground, not the least being those of the large numbers of people displaced by the conflict who have now returned to the peninsula. We visited aid projects in Jaffna that Australia funds. Australian development assistance to Sri Lanka in 2003-04 is estimated at $16.2 million. This represents a 50 per cent increase in Australian aid since the beginning of the peace process. In increasing its aid, Australia has recognised the important link between development and peace and the importance of rebuilding the country’s north and east. The delegation noted that, unlike the large international donor pledges, Australia’s aid is flowing to the country through NGOs and multilateral organisations. I wish to take this opportunity to pay tribute to all the great volunteers and workers who work for AusAID. These are the real unsung heroes of Australia. Australia’s aid is making a real difference on the ground. I would also like to recognise the contribution made by the Asian Development Bank, which is also significant, particularly in opening up the highway between the north and the south. They used the expertise of the Snowy Mountains Engineering Corporation. (Time expired)

**Arts: ScreenSound Australia**

**Senator LUNDY** (Australian Capital Territory) (7.36 p.m.)—It is my pleasure tonight to address a very pressing and current issue not just for Canberra but for the nation—that is, the future of ScreenSound Australia. Many already know that this is a world-class institution. The National Film and Sound Archive, or ScreenSound as it is now known, is one of the world leaders in collection management, particularly converged collection management, for both film and sound anywhere in the international scene. Its attributes and ability to lead by example indeed set it apart from many of the comparable institutions overseas.

It was with great pleasure that Labor was able to announce its policy today relating to the future of ScreenSound in the context of ongoing attacks including an undermining by the Howard government of ScreenSound Australia through the proposed changes being managed by the Australian Film Com-
mission. Labor announced today that a future Latham Labor government will establish the National Film and Sound Archive as a statutory authority to ensure that it remains a vital and independent part of Australia’s cultural heritage.

Just to provide a bit of background, the Howard government effected the merger through legislation on 1 July 2003. The support of this parliament was forthcoming but it was conditional. Labor’s support at the time was conditional upon the promises to preserve the independence, integrity and identity of ScreenSound Australia. However, following the merger we have seen a series of discussion papers and more recently a very controversial directions paper, released last December. There has been a great deal of uncertainty around the future of ScreenSound as a result of these attempts by the AFC to impose a restructure that went far further than the promises that we received at the time of the merger. Those promises were of a genuine partnership rather than one that was perceived very much as a hostile take-over by the Australian Film Commission of the National Film and Sound Archive, or ScreenSound.

One of the particularly important issues in relation to the discussion paper and the reason the controversy erupted was that there were several very specific problems with it. These problems included a number of positions being abolished—for example, the position of deputy director, collection and technical services and deputy director, corporate services and public programs. The position of a senior manager of sound was to be created in Melbourne and then other positions were to be created in Sydney. This meant that ScreenSound was going to be pulled apart. There was even an outrageous comment at the time that ScreenSound could somehow be more national if it had different operations in cities other than Canberra.

One of ScreenSound’s greatest achievements is its ability to reach out into the community with its exhibitions, and it has been a flagship in demonstrating how not to wait for people to come to it as an institution but to put its collections out making them more accessible for Australians. The upshot of the directions paper and the recommendations it contained was that ScreenSound was to be cherry picked, if you like. Some of the good bits were to be moved to other major centres and the AFC would be able to exert complete control over the future direction of the institution and break it up in a way that they saw fit.

Needless to say the staff at ScreenSound at the time, with the support of their union, the CPSU, rallied strongly. It was the beginning of quite an extraordinary community campaign and not just here in Canberra where there are many people who have got to know the institution very well over a number of years. Right around the country and internationally people rallied to preserve the integrity, independence and identity of this wonderful institution.

The reason that this directions paper was such a breach of confidence and of trust between staff, stakeholders, the union, certainly the Labor opposition and everyone in this chamber who supported the merger on the back of those promises was the fact that the directions paper clearly articulated for the first time a breach of those promises. When the dispute erupted and the community rallied on 17 December last year, my Senate colleague Gary Humphries said, ‘It’s okay. The jobs won’t go; nothing will change.’ Despite those assurances, the fact that this directions paper remains the core of the consultation that the AFC is continuing to conduct for ScreenSound tells me that there is still an agenda in play.
What we now know of course, if you look at the history of ScreenSound and the merger, is that it all stems back to the cultural institutions review initiated by the Howard government in 2002. On more than one occasion I have identified this particular review, which has remained secret and unscrutinised certainly by this parliament, as the essence of the war on culture that the Howard government is perpetrating in this country at the moment. ScreenSound is but one of many national cultural institutions that has been put under extreme pressure or have been subject to political interference.

The National Museum is a standout example of how the Howard government can combine both financial and budgetary pressure on an institution to get it to toe the line and indeed however it can combine that with political interference through the operation of the board, in my view. There is a fit there with this pressure and attack on our cultural institutions by the Howard government. I can only assume that it is really about the Howard government trying to exert the views of the Prime Minister about how Australian cultural history should be portrayed. It is absolutely outrageous that the Prime Minister of this country and the Howard government have taken this attitude. How dare any government interfere with the independence of our cultural institutions in representing Australia’s cultural heritage? The people that run these institutions are there supposedly because they are the best of breed in their profession, because they have that experience and understand the sensitivities and importance of the work before them and they are doing that important work on behalf of all Australian citizens.

As the controversy has continued we have formally asked the minister to delete the aspects of the directions paper, subject to ongoing consultation, that propose breaking up ScreenSound. We are yet to receive advice from the minister. The Labor Party national conference, which was held in Sydney just recently, moved a very strong motion in defence of ScreenSound Australia and condemned the Howard government for their war on culture, which affects, as I said, not just ScreenSound but many other national institutions as well.

The preparation of our submission to the formal consultation process gave me an opportunity to contemplate whether there was a way out for the institution—whether there was a way forward in this merged environment in the context of the proposals in the directions paper—which caused me to speculate where the AFC could take it. The bottom line was that there was nowhere that the institution could go that preserved its integrity, its independence and its capacity to continue its fine work.

It is on that basis that Labor are very proud to pursue a policy of undoing that merger and of moving, if we are elected, to make that organisation a statutory authority. Stakeholder submissions for the consultations close next Monday, 16 February. I do urge anyone out there who is contemplating making a submission to do that. I am pleased to say that we have well over 1,000 signatures on a petition to save ScreenSound, which is due for tabling in the Senate at the earliest possible opportunity. All in all it is an extremely timely response to a significant challenge that Labor have put forward here. I would like to honour and acknowledge the role of the Archive Forum, which has been instrumental in garnering the depth of understanding that has inspired so many people’s passionate protection of this institution. Labor are very pleased to be part of that campaign. (Time expired)
Environment: Australian Defence Industries Site

Senator NETTLE (New South Wales) (7.46 p.m.)—I rise to speak about an issue that has existed for over a decade now in my state of New South Wales. It is an issue that surrounds the former Australian Defence Industries site in St Marys near Penrith. One of the parts of my role as a senator that I thoroughly enjoy is being able to work with community groups who are committed and passionate about achieving a particular objective.

There is a tremendous group of people, which includes a whole range of different members of the community of Western Sydney, who for over a decade have been part of a strong community campaign to try to protect this land formerly owned by Australian Defence Industries from development and to preserve it for parkland for the people of Western Sydney. I have had the great fortune of being able to work with those people over many of those years and to be inspired by the passion and commitment that they have shown towards protecting this land for the people of Western Sydney. They have done the hard yards.

It has been a very different campaign to be involved in from some shorter campaigns that have occurred in the east of Sydney around the saving of White City, the tennis site, where there were a whole range of individuals who had the resources to access marketing firms and PR and to pour money into a campaign which was quickly resolved, and the site was saved. It is a very different scenario from that of the people in Penrith in Western Sydney around the St Marys site, who have struggled and done the hard yards for well over a decade in trying to protect this parkland for the people of Western Sydney.

It has been a long-running battle to save one of the last untouched areas of Sydney’s wilderness. It was dealt a bitter blow just a couple of weeks ago by the federal government’s decision to sell off the land at the rock-bottom price of $165 million. They sold this land to Lend Lease—a private developer. If each of the 5,000 lots for housing on this land were sold at $250,000, which is a conservative estimate that has been supported by five local property valuers, this would deliver Lend Lease a windfall of $1 billion. This is a public asset owned by the community and held in trust by the federal government that, just a couple of weeks ago, was given away at the price of $165 million to Lend Lease, who have been regular corporate donors to the Liberal Party.

We are now seeing Lend Lease with just the ADI site looking at a $1 billion profit. For the $165 million that Lend Lease paid they did not just get the ADI site at St Marys near Penrith. They also got two industrial sites along the river in Melbourne near Maribyrnong. Just from the ADI site developments, based on a conservative estimate supported by five local property valuers, Lend Lease is looking to make a $1 billion windfall. That is an absolute mismanagement of a public asset held in trust for the people of Australia and the people of Western Sydney by the federal government. The community members who have been working on this campaign are driven by their passion for this area that is renowned not only for its enormous environmental values but also for the values that it provides for the people of Western Sydney.

The site is a biodiversity hotspot. It contains 110 bird species and more than 140 plant species, many of which are rare and found only in the ADI site and in the nearby Cumberland state recreation area. There are also seven distinct ecological communities that are found in the ADI site. It is one of the
last remaining homes of the endangered golden bell frog and it contains the only wild emu and kangaroo populations in the Sydney basin. It is quite incredible. What other city of four million people has wild kangaroo and emu populations in an area of bushland, such as in this last remaining remnant of Cumberland woodlands? It is a piece of our heritage that tells us what the area of Sydney used to be like before the development of the urban city that we now live in. The National Parks and Wildlife Service calls it one of the ‘core biodiversity areas in Western Sydney’. The Australian Heritage Commission describes it as a priceless asset. In short, it is a Sydney icon, a time capsule of what Sydney was like prior to European settlement.

So how can the government justify selling off this priceless asset for a paltry $165 million, that is, $35,000 per lot? Was there a public tender process for the land? No. How many property evaluations of the land did the government get? Just one. The government sold the land, almost no questions asked, to its mate and regular Liberal Party donor Lend Lease. A litany of questions remains about the government’s handling of the ADI development. Throughout the process, the government has thwarted attempts by the community to access details of the agreement with Lend Lease, at every point hiding behind commercial-in-confidence excuses. Just two months ago, in response to my question in the Senate about any indemnity arrangements between the Commonwealth and Lend Lease, Senator Minchin stood up in parliament and refused to release any details, claiming: ‘As soon as I have something that I can report both to the parliament and to the public, I will do so.’ Given that the land was sold just a mere two months after Senator Minchin made this statement here in the chamber, the minister clearly possessed a great deal of knowledge and information about the sale. He was just not prepared to put it on the public record for the Senate and the Australian community to see.

This disregard for the rights of the community to have their say on the disposal of the ADI site is characteristic of this government’s approach. The federal member for Lindsay, Jackie Kelly MP, has long tried to hedge her bets on this particular development at ADI. In 2001 she assured the residents of Western Sydney that she would ask cabinet to stop the development. We can all now see how well that went. She also promised to protect all 900 hectares of the National Estate listed land that remains on the site. Another undertaking that has failed!

In a recent press release Senator Minchin said that the sale ‘represents a very good outcome for the people of Western Sydney’. I do not know how much Senator Minchin knows about the people of Western Sydney but, having worked as a community worker in that area, I would like to ask Senator Minchin just exactly how much of the $165 million the government got for this sale is going to be returned to the people of Western Sydney in the form of infrastructure? I think that we will find the answer to that question is a big zero. None of that money is being returned to the people of Western Sydney and yet their priceless land and asset is being taken away from them. People would throw their hands up in horror at the thought of Centennial Park or the Sydney Harbour foreshore being sold off to private developers. But yet the ADI site is just as valuable as these other Sydney institutions. Conservative valuations aside, in an area that is already feeling enormous pressure from housing density, the open space that the ADI site provides is desperately needed in Western Sydney.

We know that the Liberal Party has been prepared to sell out the people of Western Sydney when it comes to this particular de-
velopment. What about the position of the opposition? Mr Latham seems also to be hedging his bets on the issue. In a recent interview he said that the $165 million price tag seemed a ‘bit skinny’. He also described the lack of the tender process for the land as ‘sinister’. Yet his reservations about the development do not seem to be shared by Labor Party friends in local and state government. Decisions have been made recently by Blacktown Council and decisions have consistently been made by the New South Wales government not to protect this priceless piece of land and the wild kangaroo and emu populations that exist on it. Mr Latham needs to come out and be clear about the position of Labor on this land. Will they join the Greens in calling for the site to be saved or will they join the Liberal Party and local and state Labor governments in selling off this asset of the people of Western Sydney?

Australian Wool Innovation

Senator FERRIS (South Australia) (7.56 p.m.)—Earlier today the Chair of the Senate Rural and Regional Affairs and Transport Legislation Committee, Senator Heffernan, tabled our committee’s report into the Australian Wool Innovation inquiry. The inquiry was established last year to look at the administration and operation of AWI’s statutory funding agreement and the expenditure of funds paid to AWI under that agreement. This inquiry has been long and complex. The committee had hoped to table the report late last year but unfortunately, as a result of the intricate nature of some of the issues that were raised during the inquiry, the tabling was delayed until today. The committee took the view at the time that it was more important to take that extra time to ensure that the inquiry comprehensively dealt with the matters before it, and there is no doubt that the report tabled this afternoon does just that.

I said in this place in September last year that during the course of this inquiry I had seen evidence of one of the greatest abuses of corporate power by the former management of AWI. With the report having been tabled today, I can sadly say that I was correct in making that statement last September. The former managing director of AWI, Mr Colin Dorber, seriously abused the power given to him when the former board of AWI appointed him and he was responsible for the extensive misuse of wool growers’ money throughout his tenure as managing director. It was at a time when the Australian wool growers were suffering through the worst drought in a hundred years.

AWI was created as a subsidiary of Australian Wool Services on 1 January 2001 following the privatisation of the Australian Wool Research and Promotion Organisation. On 30 April 2002 AWI demerged from AWS and since 1 May 2002 it has operated as an independent company. A statutory funding agreement was entered into between AWI and the government that established the funding model for AWI and also set out the way in which AWI could spend wool growers’ money. At the time the wool tax, which had previously been collected by the Taxation Office, was replaced by a wool levy collected by AFFA and remitted to AWI. This wool levy is compulsory, enforced by Commonwealth law, and stands at two per cent of wool growers’ gross value of production. Under the statutory funding agreement AWI was funded by the wool levy and matching federal funds.

It was not long after the establishment of AWI that problems started to emerge. One of the earliest signs was the resignation from the board in June 2002 by Professor Andrew Vizard, who said at the time that he held serious concerns about the corporate governance practices of the AWI board. Another warning sign was the announcement by
Mr Dorber of a donation by AWI of half a million dollars to the Farmhand appeal in October 2002. The Red Cross later refunded this money when it was found that the donation may breach the statutory funding agreement.

Evidence provided to the committee’s inquiry revealed a series of expenditures by AWI and corporate practices that breached both the statutory funding agreement and accepted standards of corporate governance that are required under the Corporations Law. The report’s executive summary says:

A number of transactions in 2002, particularly in the second half of 2002, caused particular concern. They have been the subject of a ‘forensic review’ commissioned by the new (post November 2002) AWI Board. This review identified a significant number of unusual or poorly substantiated payments, payments which may be inconsistent with the SFA, and project management issues.

On the weight of evidence the Committee concludes that concerns about AWI management and corporate governance, especially in the second half of 2002, were completely justified. The examples, especially in the second half of 2002, show a pattern of behaviour in breach of good corporate governance standards.

The Committee notes particularly that in the leadup to the October 2002 election of directors, AWI campaigned on behalf of sitting directors at company expense. In the Committee’s view this was most improper. The Committee notes advice from the Australian Government Solicitor that it was probably a breach of the Corporations Act.

This leads to the committee’s first recommendation, which was to question whether AWI used company money to campaign for sitting directors during the 2002 board election in breach of Corporations Law. The committee has recommended that this issue be referred to the Australian Securities and Investments Commission. The report goes on:

The Committee notes Mr Dorber’s view that AWI may spend its independent income freely—including, for example, on agri-political activity. In the Committee’s view—which was substantiated by others—a levy-funded body like AWI should not be allowed to spend any money, however sourced, on agri-political activity.

I could stand here all night and reel off the number of expenditures made by Mr Dorber that were questionable, improper, or completely inappropriate. I will not do that; I will mention just a few.

It was the committee’s view that the previous board of AWI authorised improper expenditure on a campaign to assist the re-election of sitting directors.

The internal ‘forensic review’ by PricewaterhouseCoopers highlighted six ‘unusual or poorly substantiated payments’, three payments ‘which may be inconsistent with the statutory funding agreement’ and four payments ‘regarding projects which were poorly documented, or exhibited weakness in standard controls and procedures’.

The six ‘unusual or poorly substantiated payments’ included the payment to Mr Dorber of around $25,000 in ShearExpress directors fees, which appeared to be contrary to ShearExpress board minutes. This money, I am pleased to say, has subsequently been returned by Mr Dorber. They also included termination payments to Mr Dorber’s two children, together totalling around $130,000 gross. Mr Dorber had employed his two children, and then subsequently terminated their employment, within 15 months, in the case of his son, and eight months, in the case of his daughter—an absolute disgrace.

The three payments which may be inconsistent with the SFA included $100,000 to Charles Sturt University towards the establishment of a museum to house the Sommersville fossil and rock collection and $4,033.20
worth of Shakespearean plays to Cromer High School, which I understand is the school that Mr Dorber’s children attend. These payments were made when wool growers were being compulsorily levied two per cent of their meagre income in the worst drought in 100 years—an abuse of power.

Lastly, I would again like to thank and applaud the actions of a few brave individuals who were responsible for initially exposing the gross maladministration that was occurring under Mr Dorber’s and Ms McCaskill’s control of AWI. I am very sorry that Ms McCaskill twice declined to appear before the committee to explain some of the actions of the board and to answer questions about the board, on both occasions claiming that the date did not suit her.

My attention was first brought to the extent of the problems within AWI when, in 2002, I received in my office a brown envelope containing a number of deeply disturbing allegations which unfortunately turned out to be true. Chapter 1 of the report highlights that one of the focuses of the inquiry was to discover whether the committee’s original concerns about the corporate governance of AWI were justified. Sadly, those concerns were justified; they were absolutely correct. They were not only correct but were found to be just the tip of the iceberg of corporate abuse.

Much of the report that was tabled today details and deals with the question of the appropriate level of government oversight of a statutory funding organisation—a very important question. We have, as a committee, recommended improvements to the statutory funding agreement model, and I support them.

In conclusion, this closes yet another unfortunate chapter in the wool industry’s very turbulent decade, but I, and I know a number of members of the committee on both sides of this chamber, hope that the wool industry can now move forward in a more ordered and structured way with a new board elected by the wool growers of Australia.

**Senate adjourned at 8.07 p.m.**

**DOCUMENTS**

**Tabling**

The following documents were tabled by the Clerk:

- Aboriginal and Torres Strait Islander Commission Act—Statement under subsection 40(3)—Suspension of a commissioner from office, dated 11 February 2004.
- Lands Acquisition Act—Statements describing property acquired by agreement under sections 40 and 125 of the Act for specified public purposes [2].
QUESTIONS ON NOTICE
The following answers to questions were circulated:

Taxation: Bankruptcies
(Question No. 569)

Senator Ludwig asked the Minister for Revenue and Assistant Treasurer, upon notice, on 21 August 2002:
With reference to Part X Bankruptcy Agreements lodged in each of the 2000-01 and 2001-02 financial years:
(1) How many barristers and lawyers applied for, and were successful in obtaining, Part X agreements in each Australian state and territory.
(2) How much tax revenue to the Australian Taxation Office was forgone through part payments resulting from Part X agreements filed by barristers and lawyers in each Australian state and territory.
(3) What was the total amount of tax revenue lost to the Australian Taxation Office through part payments resulting from Part X agreements in each Australian state and territory.
(4) How many Part X creditors’ meetings did officers of the department attend in each Australian state and territory.

Senator Coonan—As these questions deal with matters administered by the Australian Taxation Office (ATO), I have asked the Commissioner of Taxation for advice. The advice in relation to the honourable senator’s question is as follows:
(1) It is not possible to provide a definite answer for all barristers and solicitors as the ATO only monitors cases in which the Commissioner of Taxation is a creditor.
(2) In 2000/01 the ATO’s Legal Profession project dealt with twelve instances of bankruptcy involving barristers of which one involved a Part X arrangement. In relation to that one Part X case the ATO received a dividend of $53,000 with revenue forgone of around $280,000. In relation to the 2001/02 year there were no Part X cases.
(3) The ATO systems cannot accurately separate those amounts of revenue written off as irrecoverable-at-law in relation to Part X agreements, from amounts written off as irrecoverable-at-law pursuant to Part IX debt agreements, bankruptcy or adverse Court decisions.
(4) For the 2000-01 and 2001-02 financial years the ATO did not capture information relating to the number of Part X creditor meetings attended.

Taxation: Consolidation Losses
(Question No. 679)

Senator Webber asked the Minister for Revenue and Assistant Treasurer, upon notice, on 24 September 2002:
(1) What is the anticipated cost of the decision to allow a corporate group to transfer losses and be taxed as a single entity.
(2) Is there any truth to the claim by some mining executives that this new arrangement will allow them to unlock $11 billion in losses and enjoy a tax holiday for 20 years.
(3) Is it true that, under these new arrangements, businesses will be able to revalue all assets to market value without having to pay capital gains tax on the revaluations.

QUESTIONS ON NOTICE
(4) Is it true that for depreciation purposes the new market value can be used as an expense over the estimated useful life of the asset.

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

(1) The forward estimates include a cost of $1,165 million over four years for the consolidation measure.

(2) No. The consolidation losses rules are designed to ensure that the use of a joining entity’s losses by a consolidated group will generally approximate the rate at which they would have been used had the entity not joined the group. However the revenue cost given in answer to (1) anticipates that some losses may be used at a faster rate under the modified application of the current recoupment tests and the transitional rules.

(3) No. The cost of assets will be reset by aligning the cost of the assets held in subsidiary members with the head company’s equity cost base in the subsidiary. This cost is then allocated to all the assets in accordance with the relative market values of the assets. In selling the membership interests to the head company, the vendor will generally have been subject to capital gains tax.

(4) No. The reset tax cost of the asset (not the market value) is used to determine the amount allowed as a depreciation deduction for tax purposes.

Fuel: Ethanol

(Instruction No. 1276)

Senator O’Brien asked the Minister for Revenue and Assistant Treasurer, upon notice, on 18 March 2003:

How much excise on fuel ethanol has been collected, by month, since 17 September 2002.

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

Excise duty has been payable on denatured fuel ethanol since 18 September 2002. However, the 2002-03 Annual Report for the Australian Taxation Office only refers to an aggregate figure of $20.733 billion, being the total duty collection for tobacco, alcohol and petroleum excise.

There is currently no published figure available for the excise duty collection on denatured fuel ethanol.

Australian Defence Force: Military Compensation Scheme

(Instruction No. 1697)

Senator Mark Bishop asked the Minister for Defence, upon notice, on 1 August 2003:

(1) With reference to the discussion and recommendations of the March 1999 Review of Military Compensation by Mr N Tanzer AO, what progress has been made on the development of a premium-based model for the Australian Defence Force (ADF).

(2) What is the current estimated liability of the Military Compensation Scheme.

(3) For each of the past 3 years, what total sum has been paid by way of: (a) lump sums for permanent impairment; and (b) incapacity payments to current and discharged personnel.

(4) For each of the past 3 years: (a) what total sum has been paid under Defence Act Determinations; and (b) to how many recipients.

(5) How many ADF personnel have died as a result of service-related injuries in each of the past 3 years.

(6) What claims, by injury group, for compensation by ADF personnel deployed to the Iraq operations during 2003 have been: (a) made; and (b) accepted; under the Military Compensation Scheme.

(7) What claims, by injury group, for compensation by ADF personnel deployed to the Iraq operations during 2003 have been: (a) made; and (b) accepted; under the Veterans’ Entitlements Act 1986.
Senator Hill—The answer to the honourable senator’s question is as follows:

(1) Following the review of Military Compensation (the Tanzer Review), the Government decided not to adopt a premium-based model in developing the new Military Compensation Scheme. A premium-based model involves a number of organisations paying a specific amount into a common pool to cover their compensation costs. The amount is adjusted in accordance with the claims experience of the organisations relative to each other. The costs of the more expensive compensation cases are smoothed out by sharing among all the participants in the pool.

In Defence’s case, sufficient incentive is provided by Defence, or the Commonwealth, effectively self-insuring in respect of its military compensation liability.

Moreover, an important element of military compensation liability relates to operational service (warlike and non-warlike service). In a typical service year, operational service accounts for about half the compensation liability. In operational service, normal occupational health and safety standards are impractical to enforce. Nor is it possible to simply improve such practices in response to increases in the premium, something which is integral to a premium-based model.

Operational service is highly unpredictable, making it difficult to judge trends relating to the incidence of service deaths, injuries and illnesses – essential in a premium based model. Estimation of the premium would also be difficult because of the extensive time lag before members and veterans may seek compensation. It is not unusual for compensation claims for former military personnel to be ongoing some 40-50 years after the injury occurred.

A premium-based scheme is considered unnecessary, inappropriate and impractical in the context of military compensation.

(2) The actuarial estimate of outstanding claims liability at 30 June 2003 is $1,463.6m.

(3) (a) and (b) Sums paid for the last 3 years are:

<table>
<thead>
<tr>
<th></th>
<th>2000/01</th>
<th>2001/02</th>
<th>2002/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent impairment</td>
<td>$42,015,295</td>
<td>$43,173,902</td>
<td>$48,306,203</td>
</tr>
<tr>
<td>Incapacity</td>
<td>$50,679,169</td>
<td>$55,502,654</td>
<td>$56,989,761</td>
</tr>
</tbody>
</table>

(4) (a) and (b) The sums paid and number for the last 3 years are:

<table>
<thead>
<tr>
<th></th>
<th>2000/01</th>
<th>2001/02</th>
<th>2002/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sum paid</td>
<td>$1,232,616</td>
<td>$2,062,711</td>
<td>$2,467,685</td>
</tr>
<tr>
<td>Number of recipients</td>
<td>10</td>
<td>30</td>
<td>35</td>
</tr>
</tbody>
</table>

(5) The Departments of Defence and Veterans’ Affairs have identified 26 instances where a serving ADF member has died during the past three financial years and the death was subsequently accepted as service-related under the Safety, Rehabilitation and Compensation Act 1988 and/or the Veterans’ Entitlements Act 1986. The break up is:

<table>
<thead>
<tr>
<th></th>
<th>2000/01</th>
<th>2001/02</th>
<th>2002/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>8</td>
<td>10</td>
<td>8</td>
</tr>
</tbody>
</table>

(6) (a) and (b) As at 15 August 2003, one claim has been made under the Military Compensation Scheme for an injury within the fracture (excluding back) injury group. The claim has not yet been determined.

(7) As at 15 August 2003, one compensation claim has been made under the Veterans’ Entitlements Act 1986 by a member of the ADF as a result of service in Iraq in 2003. The claim is for two musculo-skeletal conditions. The claim has not yet been determined.
Taxation: Diesel Fuel Rebate Scheme
(Question No. 2007)

Senator Cook asked the Minister representing the Treasurer, upon notice, on 11 September 2003:
In relation to payments made to individual mining companies under the Diesel Fuel Rebate Scheme for the financial years 2000-01 to 2002-03: What was (a) the name of each company; (b) the type of mineral mined; and (c) the amount of rebate received.
What proportion of rebate was paid primarily for exploration purposes as opposed to actual mining operations.

Senator Coonan—As these questions deal with matters administered by the Australian Taxation Office (ATO), I have asked the Commissioner of Taxation for advice. The advice in relation to the honourable senator’s question is as follows:
The off-road Diesel Fuel Rebate Scheme (DFRS) was administered by the ATO. This scheme has since been replaced by the Energy Grants (Credits) Scheme. For financial year 2000-01, DFRS payments totalling $922.24 million were made to 1,737 claimants under the category of mining operations. For financial year 2001-02, payments of $966.47 million were made to 1,651 mining claimants, while for financial year 2002-03 the figures were $1,127.74 million paid to 1,632 mining claimants.
A detailed breakdown of payments made under the DFRS is not provided by claimants and therefore the ATO is unable to provide the details requested.

Fuel: Ethanol
(Question No. 2010)

Senator Brown asked the Minister representing the Treasurer, upon notice, on 11 September 2003:
(1) How much money has been collected since 18 September 2002 in excise or customs tariffs on ethanol.
(2) (a) How much money has been paid, or is owed, to domestic producers of ethanol in subsidies since 18 September 2002; and (b) how much will be paid if current arrangements remain.

Senator Coonan—As the question deals with matters administered by the Australian Taxation Office, I have asked the Commissioner of Taxation for advice. The advice in relation to the honourable senator’s question is as follows:
(1) The 2002-03 Annual Report for the Australian Taxation Office only refers to an aggregate figure of $20.733 billion, being the total duty collection for tobacco, alcohol and petroleum excise.
There is currently no published figure available for the excise duty collection on denatured fuel ethanol.
According to data obtained from the Australian Customs Service, there has been no importation of denatured fuel ethanol for the financial year 2002-03 and thus no customs duty was payable.
(2) The Minister for Industry, Tourism and Resources has responsibility for this matter and has tabled a response to this question.

Treasury: Institute of Public Affairs
(Question No. 2061)

Senator O’Brien asked the Minister for Revenue and Assistant Treasurer upon notice, on 15 September 2003:
(1) For each of the following financial years: (a) 1996-97; (b) 1997-98; (c) 1998-99; (d) 1999-2000; (e) 2000-01; (f) 2001-02; (g) 2002-03; and (h) 2003-04, has the department or any agency for which the Minister is responsible, including boards, councils, committees and advisory bodies, made payments to the Institute of Public Affairs (IPA) for research projects, consultancies, conferences, publications and/or other purposes; if so, (i) how much each payment, (ii) when was each payment made, and (iii) what services were provided.

(2) In relation to each research project or consultancy: (a) when was the IPA engaged; (b) for what time period; (c) what were the terms of reference; (d) what role did the Minister and/or his office have in the engagement of the IPA; (e) was the contract subject to a tender process; if so, was it an open tender or a select tender; if not, why not.

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

(1) and (2) Refer to the response to Senate QoN 2036 provided by the Minister representing the Treasurer.

**Commissioner of Taxation: Portfolio Responsibility**

(Question No. 2170)

**Senator Harris** asked the Minister for Revenue and Assistant Treasurer, upon notice, on 23 September 2003:

Does the Prime Minister have portfolio responsibility for the Office of the Commissioner of Taxation.

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

The Commissioner of Taxation is an independent statutory officer reporting directly to Parliament. The Commissioner of Taxation administers the taxation law. Treasury Ministers have portfolio responsibility for policy development and taxation legislation for the Government.

**Defence: High Court of Australia Flyover**

(Question No. 2321)

**Senator Chris Evans** asked the Minister for Defence, upon notice, on 23 October 2003:

In relation to the flyover by F-111 aircraft in Canberra on 11 October 2003, to commemorate the 100th anniversary of the High Court of Australia:

(1) When was it first announced that the flyover would take place.

(2) Which organisation and/or individuals were consulted about the decision to conduct the flyover.

(3) Who authorised the decision to conduct the flyover.

(4) How many planes were involved.

(5) What was the home base of the aircraft involved.

(6) What was the total cost.

**Senator Hill**—The answer to the honourable senator’s questions is as follows:


(2) The following organisations and/or individuals were consulted:

- Air Commander Australia and Headquarters Air Command;
- Chief of Air Force and Acting Deputy Chief of Air Force;
- Chief of the Defence Force;
- Head Strategic Operations Division and Headquarters Australian Theatre;
Assistant Secretary Resource Planning – Air Force; and
First Assistant Secretary Budgets and Financial Planning.


(4) Two aircraft.

(5) Royal Australian Air Force Base Amberley.

(6) The flight was also used to conduct training activities. There is considerable difficulty in determining precisely the allocation of costs to each activity where a flight involves both a training element and support to an event. The cost for extra fuel consumed during the dump and burn over the High Court celebrations was about $600.

**Australia Post: Gateway Facilities**
(Question No. 2413)

**Senator Mackay** asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 28 November 2003:

What is the impact on Australia Post of the ongoing delays to the construction of the gateway facilities in Sydney and Melbourne.

**Senator Kemp**—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable senator’s question based on advice provided by Australia Post:

Australia Post advises that as a result of the delays, the existing facilities in Sydney and Melbourne will continue to be used for longer than originally planned. While operationally challenging, the facilities have maintained 100% screening of all incoming international mail since April 2002.

**Australia Post: Discrimination**
(Question No. 2414)

**Senator Mackay** asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 28 November 2003:

(1) What costs have been incurred to date in the Federal Court case in which Justice Conti found that Australia Post had breached the Disability Discrimination Act 1992 by refusing to allow an employee to sit on a stool whilst performing counter duties.

(2) What costs are likely to be incurred in the future in defending a policy that the court has found to be discriminatory.

(3) What action has been taken to ensure that Australia Post removes its unlawful “no chairs at retail counters” policy and complies with its legal obligations under the Act.

**Senator Kemp**—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable senator’s question based on advice provided by Australia Post:

(1) Australia Post advises that its costs to date, including legal costs, are approximately $50,000.

(2) and (3) Australia Post does not intend to appeal the Federal Court decision. In light of that decision, Post has reviewed its policy to ensure that it meets the requirements of the Disability Discrimination Act 1992. Post is also reviewing any outstanding cases that may be impacted by the court decision.
QUESTIONS ON NOTICE

**Telstra: Faxstream**

(Question No. 2416)

Senator Mackay asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 28 November 2003:

1. Can information be provided about Telstra’s faxstream business product.
2. Can the Minister confirm that this service was particularly fault ridden in 2002.
3. Has Telstra sold or outsourced this service; if so: (a) was there any tender or public notice advising potential suppliers or buyers; and (b) who was the successful contracted supplier or buyer of the service.

Senator Kemp—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable senator’s question:

1. Telstra has advised that the Faxstream Enhanced business product provides a range of fax facilities to Telstra customers. Telstra has indicated that the two main facilities provided are broadcast facilities, which allow customers to submit a single fax message for distribution to multiple destinations simultaneously; and mailbox facilities, which allow customers to receive faxes when their line is busy by depositing the faxes into a mailbox that resends the faxes when the line is free. Customers receive a personal fax number, which allows them to retrieve messages from any fax machine or they can be sent to an email address.

2. Telstra has advised that there were a number of problems with the Faxstream Enhanced business product in 2002, which caused interruption of service to some customers. Telstra has indicated that the problem was mainly due to issues with a software upgrade that was deployed to the platform. Telstra has advised that this problem has been rectified.

3. (a) and (b) Telstra has advised that it has outsourced the Telstra Faxstream Enhanced platform and helpdesk facility. According to Telstra, there was a tender process that took place from December 2002 to January 2003. This was a closed tender. Telstra has indicated that the successful tenderer was Xpedite Systems Pty Ltd.

**Telstra: Credit Control**

(Question No. 2417)

Senator Mackay asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 28 November 2003:

1. Does Telstra have an automatic credit limit for all consumer accounts; if not; why not.
2. In the absence of credit limits on standard phone accounts, how can Telstra prevent customers inadvertently running up huge thousand dollar plus bills on premium rate services.
3. Given that the Telecommunications Industry Ombudsman’s annual report showed an increase in landline credit control complaints of 82 per cent in the 2002-03 financial year, what strategies does Telstra have for improving its credit control practices.

Senator Kemp—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable senator’s question:

1. Telstra advises that it currently has no automatic credit limit for consumer accounts. Telstra further advises that it is aware of the community concern around provision of credit and on 16 December 2003 Telstra announced that it would start contacting customers whose account usage increased markedly between bills to enable these customers to take control if the usage had been unintended. Telstra advises that this new service, called “Courtesy Call”, started with a pilot on 17 December 2003 and will be fully implemented across fixed, mobile and internet services by mid-2004. The
pilot will initially target a sample of bills that go over $1000, where usage is more than twice the average amount spent, to gauge customer reaction to this initiative. In 2004, the credit management system will be tailored to identify customers’ usage patterns and detect any unusual aberration automatically.

Telstra advises that the launch of the Courtesy Call initiative is one aspect of a new community awareness campaign, called Stay Connected, which aims to help all customers understand the range of payment and account management options that Telstra offers.

(2) Telstra advises that it has a number of phone management tools available to prevent customers from inadvertently running up large bills for premium rate services. Telstra advises that these include permanent barring of particular call types (eg calls to 1900 numbers, international Direct, STD calls), which is free for Telstra customers, as well as a call control tool that can be switched on or off with a PIN for a low monthly charge. Telstra further advises it has taken steps to reduce the risk of Internet dumping via ID calls by blocking direct dial (0011) access to numbers which are understood to be Internet dialler services.

(3) Telstra advises that the increase in landline credit control complaints reported in the Telecommunications Industry Ombudsman’s (TIO) annual report for 2002-03 is due to the sale of two tranches of aged debt over this period. Telstra advises that, in relation to the sale of debt, it has worked with the TIO to ensure it complies with all legal requirements, and continues to do so. Telstra advises that to ensure processes in this area are continually improving, it:

- set up a dedicated team to handle customer calls regarding factored debt;
- improved its turn-around times for copies of bills and customer queries;
- ensured the buyers of its debt have in place the Australian Standards complaint handling processes;
- regularly monitors contract compliance by the buyers of its debt;
- engaged the TIO’s office at an appropriate level to assist it in understanding the issues and to service complaints better; and
- offered to have its complaint handling process reviewed independently.

Telstra: Interception Capability
(Question No. 2418)

Senator Mackay asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 1 December 2003:

(1) Given that under the Telecommunications Act 1997 Telstra is obliged to provide an interception capability and to be transparent and release information about who is responsible for interception technology: which individual or organisation currently provides the technology and systems maintenance that enables Telstra to meet its obligations under the Act.

(2) Has any other company previously undertaken this function for Telstra.

(3) For the past 3 financial years, can details be provided of contractual or other financial relationships between Telstra and those providing an interception capability.

Senator Kemp—The Minister for Communications, Information Technology and the Arts, drawing on information provided by Telstra, has provided the following answer to the honourable senator’s question:

(1) to (3) Telstra has advised that it has in place a number of interception capability systems across its telecommunications network (both fixed and mobile) to fulfil its statutory obligations under the

QUESTIONS ON NOTICE
Telecommunications Act. There is no single supplier of interception capability to Telstra and Telstra has entered into individual contractual arrangements with several suppliers in respect of the installation, operation and maintenance of its interception capability systems.

Telstra has advised that the contractual arrangements it has entered into contain confidentiality clauses that preclude details of those contracts being disclosed by Telstra. Telstra believes that there are issues of national security to be considered in this matter that also preclude more detailed information being provided.

Special Broadcasting Service: Staff Travel
(Question No. 2420)

Senator Mackay asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 28 November 2003:

Can information be provided about all Special Broadcasting Service staff who have travelled overseas during the past 2 years, including the cost, purpose and duration of such travel.

Senator Kemp—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable senator’s question:

I am advised by SBS that for the 2001-02 and 2002-03 financial years, the details are as follows:

2001 – 2002

| Number of staff who travelled overseas: | 69 |
| Number of trips: | 111 |
| Cost of trips: | $0.783 |
| Number of trips categorised by purpose: |
| - News & Current Affairs: | 28 |
| - Other Productions (incl. Sport & SBS Productions): | 31 |
| - Film Markets & Festivals: | 23 |
| - Broadcast Industry & Management Conferences & Meetings: | 29 |
| Duration of trips (total number of days) | 1208 |
| Duration of trips (average days per trip): | 10.9 |

2002 – 2003

| Number of staff who travelled overseas: | 61 |
| Number of trips: | 89 |
| Cost of trips: | $0.568 |
| Number of trips categorised by purpose: |
| - News & Current Affairs: | 30 |
| - Other Productions (incl. Sport & SBS Productions): | 22 |
| - Film Markets & Festivals: | 16 |
| - Broadcast Industry & Management Conferences & Meetings: | 21 |
| Duration of trips (total number of days) | 845 |
| Duration of trips (average days per trip): | 9.5 |

Telecommunications: Television
(Question No. 2422)

Senator Mackay asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 28 November 2003:
(1) (a) What is the timetable for the Government to review the number of television licenses in operation; and (b) has the Government yet formed a view on whether there is a need for a fourth commercial television licence in Australia.

(2) (a) How many households are currently using digital television; and (b) what percentage of total households does this represent.

(3) What action, if any, does the Government intend to take in order to accelerate the uptake of digital television.

(4) (a) When will the scheduled review of multi-channelling occur; and (b) will the Government consider allowing commercial television stations to multi-channel.

(5) Will the Minister reconsider the decision of the previous Minister to dismiss the Australian Competition and Consumer Commission's recommendation in its recent report on pay television, that Telstra divest itself of its interest in Foxtel; if not, why not.

Senator Kemp—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable senator's question:

(1) (a) & (b)

The Broadcasting Services Act 1992 requires the Government to conduct a number of digital broadcasting policy reviews before 1 January 2005, including:

- a review of simulcast requirements for commercial television broadcasting licensees;
- a review of prohibitions on free-to-air broadcasters offering subscription television and other services;
- a review of provisions for underserved markets;
- a review of whether broadcast spectrum has been allocated efficiently;
- a review of arrangements for the conversion of datacasting transmitter licences to other uses from 2007; and
- conditions to apply to commercial television licenses from 2007.

There are also legislative requirements to conduct:

- a review of high definition (HD) TV quotas and HDTV in remote areas before 1 July 2005; and
- a review of the duration of the simulcast period before 1 January 2006.

All of these reviews impact on considerations relating to the moratorium on new commercial television broadcasting licences, which expires on 31 December 2006.

No decision has yet been taken as to how these reviews will proceed. The Government is giving consideration to this issue and will make an announcement at an appropriate time.

(2) (a) & (b)

Free-to-Air

According to Digital Broadcasting Australia (a cooperative organisation of national and commercial TV broadcasters, electrical suppliers and retailers and installers) over 200,000 digital TV receivers had been sold to retailers and installers by the end of October 2003. The sales have increased significantly compared with total sales towards the end of 2002, which were around 35,000.

The total number of TV households in Australia is estimated at 7.1 million. The Department of Communications, Information Technology and the Arts ("the Department") does not have figures on the number of digital TV households in Australia; it is possible that some households have
bought more than one receiver and some receivers would be bought by persons other than private citizens (eg businesses).

**Pay TV**

I am advised that digital pay television services are estimated to be available to over 600,000 satellite subscribers through Austar and Foxtel. The Department does not have figures on the level of subscriptions held by households (rather than, for example, businesses).

(3) The digital television framework legislation adopted by the Parliament provides for a managed transition to digital television broadcasting on the basis that ongoing certainty is in the best interests of the community, whose access to services must be maintained, and broadcasters, which must make significant capital investments.

Key features of the digital television regulatory framework include a requirement to commence digital terrestrial television broadcasts on 1 January 2001 in mainland capital cities, and in regional areas between 1 January 2001 and 1 January 2004. Commercial Television Australia indicated in 2003 that by the end of 2003 it was expected that 75% of the Australian population would have access to the full suite of digital services.

In recent months, over 20,000 digital receivers per month have been sold; a significant increase on the rate of sales early in 2003 and in previous years. This increase in sales after low initial sales is consistent with trends in take-up of other new technologies in Australia and other countries.

The availability of improved picture and sound quality, additional services such as electronic program guides and program enhancements, as well as wide screen and high definition programming, and an increasing range of set top boxes, are factors that are likely to be contributing to the evident increase in digital uptake.

In addition, the commercial television broadcasters instituted a television campaign promoting digital television in 2003.

A series of statutory reviews are scheduled over the next two years into aspects of the digital policy framework. These will enable the Government to consider a range of issues and make changes, if indeed they are considered necessary.

(4) Under clause 60 of Schedule 4 to the Broadcasting Services Act 1992, the Government is required to conduct a review of simulcast requirements for commercial television broadcasting licensees before 1 January 2005. No decision has yet been taken as to how this and the related reviews will proceed. Part of the purpose of the review is to consider whether commercial broadcasters should be allowed to offer digital multichannel services.

(5) In releasing the ACCC report on Emerging Market Structures in the Communications Sector in June 2003, the previous Minister indicated that, while the Government would fully consider the ACCC report, there were very cogent reasons for not supporting two of its recommendations. The media release noted that the ACCC raised the possibility that Telstra relinquish its shareholding in Foxtel and its HFC network unless it could be shown that the costs outweighed the perceived benefits of divestiture; it indicated that proposals advocating such fundamental industry restructuring years after very large investments had been made must be treated with the utmost caution.

There have been no subsequent changes to the Government’s position on this matter.

Australian Broadcasting Authority: Codes of Conduct

(Question No. 2424)

Senator Mackay asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 28 November 2003:
(1) Has the relevant research and report of the Australian Broadcasting Authority (ABA) in relation to the codes of conduct for commercial radio been completed.

(2) Has the ABA commenced consultations with Commercial Radio Australia (CRA) in relation to the report.

(3) When will CRA commence public consultation on the proposed revised codes.

(4) Will CRA be providing details of the public consultation process and its results to the ABA; if so, when will the ABA receive this information.

(5) Does the ABA still expect to register the revised codes early in 2004; if not, when does the ABA anticipate this will occur.

**Senator Kemp**—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable senator’s question:

(1) I am advised that the ABA has completed its research relevant to the codes of practice for commercial radio and a report of the research has been provided to CRA.

(2) I am advised that the ABA has consulted with CRA in relation to the report. The ABA provided a copy of the report to CRA on 1 August 2003 and staff briefed CRA on the content of the report on 8 August 2003. ABA staff subsequently met with the CRA board on 25 September 2003 in relation to specific issues relating to the codes of practice.

(3) I am advised that the ABA has not been formally informed by CRA as to when it proposes to release the revised draft codes of practice for public comment. However, it expects that the code will be made available for public comment early in 2004.

(4) It is standard practice for the industry body concerned with revising industry codes of practice to provide copies of submissions and other material to the ABA following the public consultation process. I am advised that the ABA received this information from the former Federation of Australian Radio Broadcasters in the last review and expects to receive this information from CRA once the public consultation process is complete. The ABA is not currently able to advise when CRA will provide this information.

(5) I am advised that the ABA expects to register the revised codes of practice during the first half of 2004.

**Australian Broadcasting Authority: Professor Flint**

**(Question No. 2425)**

**Senator Mackay** asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 28 November 2003:

For the period January to October 2003, can details be provided of travel undertaken by Professor Flint in his capacity as head of the Australian Broadcasting Authority, including (a) dates; (b) destinations; (c) appointments; and (d) purpose of the travel.

**Senator Kemp**—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable senator’s question:

The ABA has provided the following information which indicates all travel undertaken by Professor Flint as head of the ABA from January to October 2003. The ABA has offices in Sydney and Canberra.
<table>
<thead>
<tr>
<th>DATE/S</th>
<th>DESTINATION</th>
<th>PRINCIPAL PURPOSE OF TRAVEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 February</td>
<td>Canberra</td>
<td>To attend Heads of Cultural Organisations (HOCO) Meeting.</td>
</tr>
<tr>
<td>10 – 11 February</td>
<td>Canberra</td>
<td>To attend Senate Estimates.</td>
</tr>
<tr>
<td>13 February</td>
<td>Canberra</td>
<td>To attend Australian Broadcasting Authority (ABA) board meeting and board sub committee meeting.</td>
</tr>
<tr>
<td>26 – 27 March</td>
<td>Adelaide</td>
<td>To attend ABA Board Meeting, as well as meet with State Government officials.</td>
</tr>
<tr>
<td>3 – 4 May</td>
<td>Rockhampton</td>
<td>To attend and speak at a media forum on regional news.</td>
</tr>
<tr>
<td>5 – 7 May</td>
<td>Canberra</td>
<td>To attend ABA conference.</td>
</tr>
<tr>
<td>9 May</td>
<td>Melbourne</td>
<td>To attend meeting with broadcasting industry on licensing issues.</td>
</tr>
<tr>
<td>14 May</td>
<td>Canberra</td>
<td>To address the 2003 National Conference Christian Schools Executive on broadcasting matters.</td>
</tr>
<tr>
<td>15 – 16 May</td>
<td>Canberra</td>
<td>To attend Australian Institute of Company Directors (AICD) conference.</td>
</tr>
<tr>
<td>20 – 21 May</td>
<td>Canberra</td>
<td>To attend Department of Finance and Administration Budget Estimates and framework review.</td>
</tr>
<tr>
<td>26 – 27 May</td>
<td>Canberra</td>
<td>To attend Senate Estimates.</td>
</tr>
<tr>
<td>2 – 3 July</td>
<td>Canberra</td>
<td>To attend ABA board and board sub committee meetings.</td>
</tr>
<tr>
<td>25 July</td>
<td>Canberra</td>
<td>To meet with DCITA staff.</td>
</tr>
<tr>
<td>27 July</td>
<td>Melbourne</td>
<td>To attend meeting with broadcasting industry concerning FM licences.</td>
</tr>
<tr>
<td>20 – 21 August</td>
<td>Canberra</td>
<td>To attend briefing by the Australian Film Commission and Australia Council regarding a free trade agreement with the US.</td>
</tr>
<tr>
<td>21 – 23 August</td>
<td>Adelaide</td>
<td>To address World Jurist Association (WJA) Conference.</td>
</tr>
<tr>
<td>27 – 28 August</td>
<td>Melbourne /</td>
<td>To attend meeting in Melbourne on regional broadcasting codes and ABA board and board sub committee meetings in Canberra.</td>
</tr>
<tr>
<td>8 – 9 September</td>
<td>Canberra</td>
<td>To attend meeting with Chinese delegation.</td>
</tr>
<tr>
<td>24 – 25 October</td>
<td>Canberra</td>
<td>To meet Chinese delegation.</td>
</tr>
<tr>
<td>31 October</td>
<td>Adelaide</td>
<td>To introduce and attend the commercial radio licence auction.</td>
</tr>
</tbody>
</table>
Australia Post: Mail Dispatch Products
(Question No. 2440)

Senator Brown asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 2 December 2003:

(1) What plastics are used in Australia Post’s mail dispatch products, including mailing envelopes and bags.

(2) Are there biodegradable alternatives to these plastics currently available that could be used in these products; if so, will Australia Post switch to using such alternatives and when; if not, why not.

Senator Kemp—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable senator’s question based on advice provided by Australia Post:

(1) Express Post, Parcel Post and EMS International satchels are made from recyclable low-density polyethylene.

(2) Australia Post has investigated a range of biodegradable alternatives, however, is not currently aware of a suitable alternative which is sufficiently robust to meet the requirements of the postal system.

Education, Science and Training: Alternative Dispute Resolution
(Question No. 2447)

Senator Ludwig asked the Minister representing the Minister for Education, Science and Training, upon notice, on 8 December 2003:

With reference to the answer to Question on Notice No. 2353 (Senate Hansard 24 November 2003, p. 17813), the Department stated that it is involved in ‘very few disputes where ADR is available as a resolution option’:

(1) Can details be provided of the nature and type of the litigation the department is involved in.

(2) Does the department have any internal policies, procedures or guidelines describing the use of alternative dispute resolution to avoid litigation; if so, can details be provided.

Senator Vanstone—The Minister for Education, Science and Training has provided the following answer to the honourable senator’s question:

(1) The Department of Education, Science and Training is currently involved in the following proceedings:

(a) 3 Federal Court proceedings brought under the Administrative Decisions (Judicial Review) Act 1977 (ADJR Act).

(b) 1 New South Wales Supreme Court proceeding for personal injuries.

(c) 1 Queensland Supreme Court proceeding for nervous shock and loss of consort.

(d) 1 Queensland District Court proceeding relating to a property dispute.

(e) 7 Administrative Appeals Tribunal (AAT) matters involving: 5 applications for remission of HECS debts; 1 application concerning an overpayment of ABSTUDY; and 1 application by a provider of education to overseas students challenging a decision made under the Education Services for Overseas Students Act 2000 to cancel the provider’s registration on the Commonwealth Register of Institutions and Courses for Overseas Students.

(2) No. I refer the Honourable Senator to my answer to part (1) of Question on Notice 2353.
Customs: Coastwatch
(Question No. 2460)

Senator Mark Bishop asked the Minister for Justice and Customs, upon notice, on 9 December 2003:

1. Has the evaluation of alternative electronic surveillance systems for Coastwatch been completed; if so, when will the report be available.
2. Can the Minister confirm that no viable technology currently exists which would require any significant change to Coastwatch specifications.
3. (a) Which Coastwatch contracts are due to expire in the next 2 years; and (b) what is the current estimated cost of each contract over its full term.
4. What services are provided under each of the current contracts.
5. (a) What arrangements are in place for calling tenders to replace existing contracts; and (b) what are the critical dates in each process, including the dates for advertising.
6. What provisions are contained in each contract for extensions of time.
7. Which contracts, if any, will require an extension of time, and what is the reason in each case.

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

1. The Coastwatch Civil Maritime Surveillance 2004 (CMS04) Project is currently undertaking a tender process to ensure continuation of civil maritime surveillance beyond the period of the current contracts that expire progressively over the period June 2004 to June 2005. Evaluation of alternative electronic surveillance systems will be undertaken as part of the tender process and hence will not be completed until the tender process is complete. Coastwatch has received industry feedback following an Invitation to Register Interest process that commenced in April 2003 and then more recently via the release of a draft Statement of Requirements for industry feedback in December 2003. For the next milestone, Coastwatch anticipates the release of a Request for Tender in the first half of 2004.

2. The answer to this will depend on the tender process mentioned in (1).

3. There are six civil maritime surveillance contract tasks that are due to expire in the next two years. Surveillance Australia Pty Ltd (SAPL) and Reef Helicopters are the suppliers responsible for delivery of these services and contract task details follow:

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Contract Task#</th>
<th>Task Expiry Date</th>
<th>Service Provided</th>
<th>Estimated Total Contract Value (GST exclusive)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAPL</td>
<td>1</td>
<td>30 Sep 04</td>
<td>Islander fixed wing – visual surveillance</td>
<td>$56m</td>
</tr>
<tr>
<td>SAPL</td>
<td>3</td>
<td>31 Dec 04</td>
<td>Reims F406 fixed wing – hybrid surveillance (visual &amp; electronic)</td>
<td>$69m</td>
</tr>
<tr>
<td>SAPL</td>
<td>2 &amp; 5</td>
<td>30 Jun 05</td>
<td>Dash 8 - electronic surveillance</td>
<td>$317m</td>
</tr>
<tr>
<td>Reef</td>
<td>4</td>
<td>30 Jun 04</td>
<td>206 Utility Helicopter – logistics support</td>
<td>$11m</td>
</tr>
<tr>
<td>Reef</td>
<td>6</td>
<td>30 Jun 05</td>
<td>412 Helicopter hybrid surveillance (visual &amp; electronic)</td>
<td>$31m</td>
</tr>
</tbody>
</table>
All current contract tasks have provision for contract extensions of up to a maximum of 5 years. The contract for Task 4 was extended by three years, to 30 June 2007, on 8 December 2003 to ensure continuation of this particular service until the outcome of the CMS04 Project is known. The extension of this particular contract should not be seen as an indicator of the approach which may be taken by Customs to any other existing or future surveillance contracts. Customs will consider its capability requirements as each contract approaches its expiry date.

(4) Refer question (3).
(5) Refer question (1).
(6) Refer question (3).
(7) Refer question (3).

Trade: Free Trade Agreement
(Question No. 2464)

Senator Cherry asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 8 December 2003:
Has the Australian Broadcasting Corporation made any submission to the Government regarding the impact on the ABC of a free trade agreement between Australia and the United States; if so, what was the Government’s response to any such submission.

Senator Kemp—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable senator’s question:
I am advised that on 16 December 2002, the Australian Broadcasting Corporation (ABC) met with representatives of the Department of Foreign Affairs and Trade (DFAT) as part of the stakeholder consultation process in the preparation of a DFAT background document on the Australian audiovisual sector for use in forthcoming trade negotiations. On 21 January 2003, the ABC made a brief submission to DFAT regarding issues relevant to the negotiation of a Free Trade Agreement between Australia and the United States. On 29 January 2003, the ABC participated in a cultural sector roundtable discussion on US-Australian free trade negotiations with representatives of DFAT. On 11 April 2003, the ABC made a submission to the Senate Foreign Affairs, Defence and Trade References Committee inquiry into the General Agreement on Trade in Services and Australia-US Free Trade Agreement.

The Government has not responded to the ABC’s submission as the Government does not generally respond to individual submissions to inquiries. However, the Government is expected to provide a response to the Senate Committee’s report and will consider all submissions made to the inquiry in this context. The Government is yet to respond to this report.

Defence: Submarine Rescue Services
(Question No. 2468)

Senator Chris Evans asked the Minister for Defence, upon notice, on 12 December 2003:
With reference to the current contract for the Royal Australian Navy’s (RAN) submarine rescue services:
(1) Who is currently contracted to provide the service.
(2) (a) When was the tender for the contract released; (b) which companies submitted tenders; and (c) when was the decision made to select the winning tender.
(3) What are the terms of the contract, including value, length and options.
(4) On what grounds was the winning tender chosen over the other bids.

(5) Does the company currently contracted to provide the service: (a) employ all the necessary qualified staff to provide the rescue service; and (b) possess all the necessary equipment to provide the rescue service.

(6) Is the company capable of operating the rescue vessel, the Remora.

(7) (a) Has the Australian Defence Organisation (ADO) provided any personnel or equipment to the company to assist in providing the rescue service; and (b) what is the value of that assistance.

(8) (a) Has the company conducted any exercise since taking over the contract; if so, when were these conducted; and (b) are any further exercises planned; if so, when.

(9) In relation to any exercises that have been conducted: (a) did the company complete the exercises to the satisfaction of the RAN; (b) did the new contractor meet all performance criteria for the exercises, e.g. the time taken to deploy the rescue vessel; if not, what criteria was it unable to meet; and (c) in terms of the exercises that have been conducted, were there any safety concerns raised by the RAN or other parties over the activities of the company currently contracted to provide the service.

(10) Has the ADO contracted other parties to assist in providing the submarine rescue service since the current service provider was employed, i.e. have other companies been contracted to provide additional services or support; if so, what is the value of these contracts.

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

(1) Fraser Diving Australia Pty Ltd.

(2) (a) 12 December 2002.
   (b) Fraser Diving Australia Pty Ltd;
       BAE Systems Pty Ltd;
       SubTEAM Pty Ltd;
       ASCOV Pty Ltd; and
       Global Submarine Services Pty Ltd
   (c) 13 June 2003.

(3) The terms of the contract are in accordance with the standard Defence terms and conditions for a complex procurement. The value of the Contract is $14 million over the contracted period of 5 years (for routine contracted services plus up to $12.5 million for adhoc requirements). There is an option to extend for an additional 5 years.

(4) All five tenderers were evaluated against criteria covering resources, capability, experience, management, transition and contractual aspects. Fraser Diving Australia was found to represent the best value for money solution against those criteria.

(5) (a) Yes.
   (b) Yes.

(6) Yes.

(7) (a) Yes. Owing to the unique requirements of the Submarine Escape and Rescue Centre, Defence provided the Commonwealth built Submarine Escape Training facility, the submersible Remora and the deployable re-compression chambers and suite of ancillary rescue equipment as Government Furnished Equipment. Defence also put in place a transition plan which included the possibility of assistance to the successful tenderer for the continued operation of the Remora capability during the transition to the new contracted service.
(b) The value of the Government Furnished Equipment is difficult to quantify. A breakdown of contracted assistance and value of this assistance is provided in the answer to question 10.

(8) (a) Yes. A training deployment of Remora was conducted in September 2003 and the major RAN Submarine Escape and Rescue Exercise, Black Carillon, conducted 1-18 December 2003.
(b) Yes. It is currently planned to deploy the Submarine Escape and Rescue suite of equipment bi-annually.

(9) (a) Yes.
(b) No specific performance criteria were set as it was a training deployment. The aim of Black Carillon 2003 was to provide the RAN’s capability to rescue personnel from a distressed submarine using the new submarine escape and rescue contractor. This was successfully achieved. The operation of Remora in general was assessed as satisfactory overall albeit with some aspects requiring improvement in future.
(c) Yes. Safety is always a major concern of the RAN. During the first training activity conducted by the new contractor there were some concerns over deck handling on the support vessel. A subsequent independent safety audit conducted on behalf of Defence Maritime Services and the RAN prior to Black Carillon 2003 identified that any previous shortcomings had been addressed.

(10) Yes. The Tender Evaluation Board report noted the need for a transition strategy to the new contracting arrangements to achieve improved Submarine Escape and Rescue capabilities, and at the same time maintain the existing operational submarine rescue capability.

In accordance with the transition strategy, contracted assistance to the value of $296K has been provided. This comprises:

Submarine Escape and Rescue Consultant $76K
(Consists of assistance to Defence for independent evaluation of the transition of the escape and rescue suite, in particular Remora. This would have been provided irrespective of the contractor selected).

Contractor Assistance $220K
(Consists of assistance to Defence from the previous operator of Remora in maintaining the preparedness levels of the escape and rescue suite during the transition phase – with the exception of the previous Remora operator, GSS, this would have been provided irrespective of the contractor selected).

Health: HIV-AIDS
(Question No. 2481)

Senator Brown asked the Minister representing the Minister for Foreign Affairs, upon notice, on 22 December 2003:

(1) Can he advise, how much has Australia committed each year to the war on AIDS overseas since 1996?
(2) Can he advise, in each year, how much went to each of the following: (a) Papua New Guinea, (b) Africa and (c) Southeast Asia.
(3) Can he advise, in what form has the aid been given and what are the results?
(4) Can he advise, what was the 2002-03 budgetary allocation to this global effort in terms of a percentage of the total overseas aid budget and as a percentage of the UN desired budget?

Senator Hill—The Minister for Foreign Affairs has provided the following answer to the honourable senator’s question:
(1) Australian Aid Expenditure on HIV/AIDS Program 1996-2004

<table>
<thead>
<tr>
<th>Financial Year Ending (June)</th>
<th>Annual Expense in $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>12.9</td>
</tr>
<tr>
<td>1997</td>
<td>16.0</td>
</tr>
<tr>
<td>1998</td>
<td>15.0</td>
</tr>
<tr>
<td>1999</td>
<td>14.5</td>
</tr>
<tr>
<td>2000</td>
<td>20.2</td>
</tr>
<tr>
<td>2001</td>
<td>28.7</td>
</tr>
<tr>
<td>2002</td>
<td>24.8</td>
</tr>
<tr>
<td>2003</td>
<td>23.8</td>
</tr>
<tr>
<td>2004 (actual)</td>
<td>14.9</td>
</tr>
<tr>
<td>2004 (estimate)</td>
<td>36.1</td>
</tr>
<tr>
<td>Total</td>
<td>206.9</td>
</tr>
</tbody>
</table>

(2) Australian Aid Expenditure on HIV/AIDS Program 1996-2004 in selected regions

<table>
<thead>
<tr>
<th>Financial Year Ending (June)</th>
<th>PNG $m</th>
<th>Africa $m</th>
<th>South East Asia $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>1.6</td>
<td>1.7</td>
<td>6.9</td>
</tr>
<tr>
<td>1997</td>
<td>1.8</td>
<td>2.8</td>
<td>8.2</td>
</tr>
<tr>
<td>1998</td>
<td>1.5</td>
<td>3.6</td>
<td>6.4</td>
</tr>
<tr>
<td>1999</td>
<td>2.9</td>
<td>0.9</td>
<td>8.3</td>
</tr>
<tr>
<td>2000</td>
<td>1.8</td>
<td>2.6</td>
<td>8.5</td>
</tr>
<tr>
<td>2001</td>
<td>4.7</td>
<td>4.9</td>
<td>11.1</td>
</tr>
<tr>
<td>2002</td>
<td>7.8</td>
<td>3.5</td>
<td>9.0</td>
</tr>
<tr>
<td>2003</td>
<td>8.6</td>
<td>2.1</td>
<td>9.4</td>
</tr>
<tr>
<td>2003/04 (actual)</td>
<td>4.8</td>
<td>1.3</td>
<td>5.0</td>
</tr>
<tr>
<td>2004 (estimate)</td>
<td>10.0</td>
<td>7.3</td>
<td>14.8</td>
</tr>
<tr>
<td>Grand Total</td>
<td>45.5</td>
<td>30.7</td>
<td>87.6</td>
</tr>
</tbody>
</table>

(3) Australian aid has been delivered to multilateral agencies, bilaterally and through non-government organisations, in the form of funding for projects and programs. Australia has made a substantial contribution to addressing HIV/AIDS in the region including through:

- Demonstrating strong regional leadership through hosting the 2001 Ministerial Meeting and establishing the Asia Pacific Leadership Forum for HIV/AIDS and development.
- Promoting partnerships: In PNG the Australian Government is working with youth and women’s groups, faith based organisations, the private sector and trade unions as well as the PNG Government to implement HIV/AIDS prevention and care programs.
- Strengthening the capacity of the health sector by supporting the establishment of hospices and care centres in Papua New Guinea as well as facilities for monitoring HIV progression in infected individuals in Bangladesh.
- Delivering effective HIV/AIDS programs that provide community based care and support for people affected by HIV/AIDS in sub-Saharan Africa.

(4) In 2002-03, Australia spent 1.32% of the total aid budget on HIV/AIDS related activities. This represents 0.24% of the desired global budget the United Nations estimates is required to effectively tackle HIV/AIDS each year.
Aviation: Sydney Airport Master Plan
(Question No. 2495)

Senator Brown asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 9 January 2004:

1. Will the Government institute an inquiry into the Sydney Airport Master Plan, to determine whether it; (a) is compatible with long-term strategies for handling aircraft traffic in Sydney; and (b) will create excessive problems for the inhabitants of surrounding suburbs with respect to noise pollution, chemical pollution, safety, and/or traffic.

2. Will councils and affected residents in the surrounding suburbs have the opportunity to make written or verbal submissions to such an inquiry.

3. If there is to be no inquiry; (a) what is the Government’s determination on the issues identified in paragraph (1); and (b) what are the reason for that determination.

Senator Ian Campbell—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

1. and 2. No.

3. The Airports Act 1996 (the Act) provides that airport operators submit a draft master plan to the Minister for Transport and Regional Services for approval. The draft master plan must include details of members of the public who provided comments, a summary of the comments received and the operator must state that they have given due regard to those comments in preparing the draft master plan.

The Sydney Airport draft master plan has been submitted to the Minister in accordance with the requirements of the Act. The Minister is considering the draft Plan. In considering whether to approve or reject the draft master plan the Minister is to have regard to the extent to which carrying out the plan would meet the needs of users, the effect of the plan on the use of the land within and around the airport, the consultations undertaken and the views of CASA and Airservices Australia in relation to safety and operational aspects.

Councils and affected residents were given the opportunity to comment on the preliminary draft master plan during a 90 day public comment period that concluded on 29 October 2003.

Environment: Tarkine Region
(Question No. 2507)

Senator Brown asked the Minister representing the Minister for the Environment and Heritage, upon notice, on 13 January 2004:

1. Would logging of myrtle in the Tarkine region of Tasmania make the area more fire-prone through: (a) increased access via new or upgraded logging roads; or (b) opening up the vegetation making it more flammable; or (c) introducing more flammable species through the establishment of pine or Eucalypts nitens plantations.

2. What effect would logging of myrtle in the Tarkine region of Tasmania have on the incidence of myrtle wilt.

3. What effect would logging in the Tarkine region have on the landscape and wilderness values of the largest wilderness rainforest in Australia.

Senator Hill—The Minister for the Environment and Heritage has provided the following answer to the honourable senator’s question:

1. This is an operational issue best asked of Forestry Tasmania.
(2) This is an operational issue best asked of Forestry Tasmania.

(3) The Tarkine Wilderness area was registered on the Register of the National Estate in 2002. Under the Tasmanian Regional Forest Agreement, the Parties agreed “the State will protect in a regional context the full range of National Estate Values on Public Land, through the application of the Forest Management Systems in accordance with this Agreement”

**Taxation: Advertising Expenses**

(Question No. 2513)

**Senator Brown** asked the Minister representing the Treasurer, upon notice, on 19 January 2004:

With reference to the answer to question on notice no. 1815 (Senate *Hansard*, 2 December 2003, p. 18770): What is the approximate annual value of tax deductions for advertising.

**Senator Minchin**—The Treasurer has provided the following answer to the honourable senator’s question:

The Commonwealth does not collect disaggregated information about tax deductions that pertain to advertising.