**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, 11 MARCH

Notices—
Presentation .................................................................................................................. 21315

Business—
Rearrangement.............................................................................................................. 21315
Rearrangement.............................................................................................................. 21315

Notices—
Postponement ............................................................................................................... 21316

Committees—
Employment, Workplace Relations and Education References Committee—
Reference .................................................................................................................... 21316
Employment, Workplace Relations and Education References Committee—
Reference .................................................................................................................... 21316
Employment, Workplace Relations and Education References Committee—
Reference .................................................................................................................... 21317
Community Affairs Legislation Committee—Extension of Time ........................................ 21317

Resale Royalty Bill 2004—
First Reading ................................................................................................................ 21317
Second Reading ............................................................................................................ 21317

Committees—
Publications Committee—Report .............................................................................. 21321
ASIO, ASIS and DSD Committee—Report ...................................................................... 21321

Australian Sports Drug Agency Amendment Bill 2004,
Customs Legislation Amendment (Application of International Trade Modernisation
and Other Measures) Bill 2003 and
Import Processing Charges (Amendment and Repeal) Amendment Bill 2003—
First Reading ................................................................................................................ 21326
Second Reading ............................................................................................................ 21326

Telecommunications (Interception) Amendment Bill 2004—
First Reading ................................................................................................................ 21329
Second Reading ............................................................................................................ 21329

Committees—
Rural and Regional Affairs and Transport Legislation Committee—Report..................... 21331
Community Affairs References Committee—Report ..................................................... 21331
Health Legislation Amendment (Medicare) Bill 2003—
In Committee ............................................................................................................... 21338

Australian Sports Drug Agency Amendment Bill 2004—
Second Reading ............................................................................................................ 21371
Third Reading ............................................................................................................... 21375

Customs Legislation Amendment (Application of International Trade Modernisation
and Other Measures) Bill 2003 and
Import Processing Charges (Amendment and Repeal) Amendment Bill 2003—
Second Reading ............................................................................................................ 21375
Third Reading ............................................................................................................... 21379

National Measurement Amendment Bill 2003—
Second Reading ............................................................................................................ 21379
Third Reading ............................................................................................................... 21383

Questions Without Notice—
Defence: Intelligence .................................................................................................... 21383
CONTENTS—continued

Howard Government: Health Policy ............................................................................ 21384
National Security ........................................................................................................ 21386
Resources: Investment ............................................................................................. 21387
Distinguished Visitors ............................................................................................. 21388
Questions Without Notice—
  Defence: Equipment .............................................................................................. 21388
  Research and Development: Backing Australia’s Ability Initiative ........................ 21390
  Indigenous Affairs: Funding .................................................................................. 21390
  Environment: Antarctica ....................................................................................... 21391
  Trade: Free Trade Agreement ............................................................................... 21393
Distinguished Visitors ............................................................................................. 21393
Questions Without Notice—
  Australian Labor Party: Centenary House .............................................................. 21394
  Superannuation: Children’s Accounts ................................................................... 21396
  Telstra: Infrastructure ........................................................................................... 21397
Questions Without Notice: Additional Answers—
  Education: Abstudy .................................................................................................. 21398
  National Security .................................................................................................... 21398
Answers to Questions on Notice—
  Question Nos 2209, 2210 and 2211 .................................................................... 21398
Questions Without Notice: Take Note of Answers—
  Defence: Equipment .............................................................................................. 21399
Health Legislation Amendment (Medicare) Bill 2003—
  Consideration of House of Representatives Message ............................................. 21404
  Third Reading ......................................................................................................... 21405
Committees—
  Reports: Government Responses .......................................................................... 21410
  Membership ............................................................................................................. 21419
Workplace Relations Amendment (Paid Maternity Leave) Bill 2002—
  Second Reading ...................................................................................................... 21419
Documents—
  Aboriginal and Torres Strait Islander Commission ............................................... 21445
  Aboriginal and Torres Strait Islander Social Justice Commissioner ...................... 21446
  Consideration .......................................................................................................... 21447
Committees—
  Community Affairs References Committee—Corrigendum .................................. 21447
Adjournment—
  National Farmers Federation ................................................................................. 21447
  Employment: Offshore Outsourcing ..................................................................... 21450
  Queensland: Hervey Bay ....................................................................................... 21451
  Queensland: Beattie Government ......................................................................... 21451
Documents—
  Tabling ...................................................................................................................... 21455
  Indexed Lists of Files .............................................................................................. 21455
Questions on Notice—
  Not-for-Profit Council—(Question No. 2211) ......................................................... 21456
  Environment and Heritage: Air Transport System—(Question No. 2437) ............ 21456
  Defence: Wanneroo Firing Range—(Question No. 2534) ...................................... 21457
  Transport: Specialist and Enthusiast Vehicle Scheme—(Question No. 2541) ....... 21458
Thursday, 11 March 2004

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

NOTICES

Presentation

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

That the Senate—

(a) notes that:

(i) the Australian Council for Overseas Aid (ACFOA) was formed in 1965 and continues to play a significant role as a representative and regulatory body for non-government organisations in Australia,

(ii) ACFOA provides representation, advocacy and a forum for cooperation for some 80 member agencies, and

(iii) on 10 March 2004, ACFOA will change its name to the Australian Council for International Development (ACFID);

(b) further notes that:

(i) the United Nations (UN) has warned that the international community is falling short of achieving the goals set by world leaders at the Millennium Development Summit in 2000 (the Millennium Development Goals),

(ii) Australia’s aid budget currently remains at 0.25 per cent of gross national income, which is less than half the level of contribution advocated by the UN,

(iii) ACFID’s submission to the 2004-05 Budget calls on the Government to explicitly adopt the Millennium Development Goals as benchmarks for ensuring the aid program is directly focused on the sustainable reduction of poverty, and in that context to provide for new initiatives focused on basic social services for poverty reduction, and

(iv) ACFID also calls on the Government to implement fair trade, debt relief and good governance policies, which underpin the poverty reduction objective of Australia’s aid program; and

(c) calls on the Government to explicitly adopt the Millennium Development Goals as the benchmark for ensuring that Australia’s aid program is focused on effective aid delivery.

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 pm till not later than 2 pm today:

Australian Sports Drug Agency Amendment Bill 2004
Customs Legislation Amendment (Application of International Trade Modernisation and Other Measures) Bill 2003
No. 6 National Measurement Amendment Bill 2003

Question agreed to.

Rearrangement

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

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

(1) general business order of the day no. 22 (Workplace Relations Amendment (Paid Maternity Leave) Bill 2002); and

(2) consideration of government documents.

Question agreed to.
NOTICES
Postponement
An item of business was postponed as follows:

Business of the Senate notice of motion no. 4 standing in the name of Senator Forshaw for today, relating to the reference of matters to the Community Affairs References Committee, postponed till 22 March 2004.

COMMITTEES

Employment, Workplace Relations and Education References Committee

Reference

Senator GEORGE CAMPBELL (New South Wales) (9.32 a.m.)—I move:

That the following matter be referred to the Employment, Workplace Relations and Education References Committee for inquiry and report by 25 November 2004:

The progress and future direction of life-long learning and, in particular:

(a) policies and strategies aimed at addressing the life-long learning needs of an ageing population;
(b) the ways in which technological developments, particularly the Internet, have affected the nature and delivery of life-long learning since 1997;
(c) the adequacy of any structural and policy changes at Commonwealth and state or territory level which have been made in response to these technological developments;
(d) technological barriers to participation in life-long learning and adult and community education, and the ways and means by which these might be overcome;
(e) the extent to which the training, professional development and role of adult educators has kept pace with or been influenced by technological and on-line developments since 1997; and
(f) re-training strategies as an element in life-long learning, especially for those living in rural and regional areas.

Question agreed to.

Employment, Workplace Relations and Education References Committee

Reference

Senator GEORGE CAMPBELL (New South Wales) (9.32 a.m.)—I move:

That the following matter be referred to the Employment, Workplace Relations and Education References Committee for inquiry and report by 25 November 2004:

Impediments to Indigenous employment and measures to improve vocational training and employment outcomes for Indigenous people, and, in particular:

(a) the effect of the Community Development Employment Projects (CDEP) scheme on the education and long-term employment outcomes of Indigenous people in rural, remote and urban areas;
(b) the appropriateness of the current framework for the funding and delivery of vocational education and training to meet the requirements of Indigenous communities and to prepare Indigenous people for employment, especially in rural and remote settings;
(c) the effectiveness of competency-based training models to deliver an appropriate level or mix of skills necessary for employment of Indigenous people, including the achievement of the necessary standards of literacy and numeracy;
(d) the effectiveness of Commonwealth, state and territory-based initiatives to engage more Indigenous people in training and to encourage higher level skill acquisition in skilled trades and professions, including health and teaching; and
(e) models for engaging industry and Indigenous communities in partnerships to develop long-term employment opportunities for Indigenous people—in infrastructure development through to the arts—and the limitations and opportunities these confer.

Question agreed to.
Employment, Workplace Relations and Education References Committee

Reference

Senator GEORGE CAMPBELL (New South Wales) (9.32 a.m.)—I move:

That the following matter be referred to the Employment, Workplace Relations and Education References Committee for inquiry and report by 25 November 2004:

That the time for the presentation of the report of the Community Affairs Legislation Committee on the Truth in Food Labelling Bill 2003 be extended to 1 April 2004.

Question agreed to.

RESALE ROYALTY BILL 2004

First Reading

Senator LUNDY (Australian Capital Territory) (9.33 a.m.)—I move:

That the following bill be introduced: A Bill for an Act to amend the Copyright Act 1968 to introduce a Resale Royalty Scheme for the visual arts, and for related purposes.

Question agreed to.

Senator LUNDY (Australian Capital Territory) (9.34 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 LUNDY (Australian Capital Territory) (9.34 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—

RESALE ROYALTY BILL 2004

Rupert Myer in his Report of the Contemporary Visual Arts and Craft Inquiry 2002 stated that;

“A major issue for the Inquiry was whether Australia should introduce a droit de suite or resale royalty scheme that entitles the artist to royalties when a work of art is resold in the market. The Inquiry assessed the potential benefits for visual artists, the particular issues for Indigenous artists, and the likely impact the measure would have upon the market for contemporary art and craft in Australia, having regard to the international experience and local conditions. The Inquiry concluded that a resale royalty arrangement should be introduced.”
The Labor Party agrees with this view. That is why Labor announced on 9 October 2003 a new policy supporting a resale royalty scheme for visual artists.

Consequently I now present to the Senate the Resale Royalty Bill of 2004, which is a Bill for an Act to amend the Copyright Act 1968 in order to introduce a Resale Royalty Scheme for the visual arts, and for related purposes.

The Resale Royalty Bill 2004 will make it possible for a direct financial benefit to be paid to visual artists, of particular importance, indigenous artists, following the on-sale of their original work.

Labor believes an artist’s resale royalty scheme will also assist in improving community recognition for the contribution of visual artists to civil society. It is also political recognition of the need to nurture and support both emerging and established artists.

Currently, artists are paid for their work only at the original point of sale. This scheme will provide for additional payments to artists if their work is on-sold under certain conditions. This allows artists to earn income from their work as it increases in value.

The Resale Royalty Scheme will be implemented through amendment to the Copyright Act 1968. It involves the establishment of a collecting society authorised to receive moneys on behalf of the artists through an art market intermediary.

The definition of an art market intermediary under this legislation means an auction house, online auction, private gallery, agent or other art market professional who acts on behalf of the seller of an artistic work.

Labor’s Resale Royalty Bill 2004 sets a resale right of 5 per cent payable on all acts of resale of artistic work that take place in Australia through an art market intermediary.

The introduction of this legislation is but one step in the right direction in recognising the value of artists and creating a new way to earn income from their profession.

Importantly, it has been delivered in a series of consultations with the National Association for the Visual Arts, The Arts Law Centre of Australia, the Australian Copyright Council, Viscopy and their member associations.

There is no doubt Australia’s visual artists have been suffering under outdated and prejudicial copyright laws that do not fully reimburse them for their contribution to the art market.

The Myer report confirmed that a resale royalty scheme is both desirable and possible, and presented clear and concise arguments on the pros and cons of the inquiry recommendations.

Recommendation number five of the Myer report concludes the chapter titled ‘Valuing Artists’ and it was this advice that inspired a new Labor policy which has resulted in the introduction today of the Resale Royalty Bill.

Usually Labor would develop such a policy in detail, and only when elected to government, would the opportunity arise to implement it.

Sometimes, however, there are pressing reasons to move more quickly to enact a change. Labor believes that artist’s resale rights should not have to wait until after the next election.

Despite Senator Alston, the then Cabinet Minister for the Arts, committing the Howard Government to introducing this legislation before the end of 2003, there has no sign of activity since.

In the absence of a Government Bill on this matter, a private member’s bill designed to fully implement a resale royalty scheme for artists is the only path to push for such legislation sooner rather than later.

There is a real sense of urgency now for a Resale Royalty scheme to be implemented and for a direct economic benefit to flow to our visual artists. It is a scheme which is needed now more than ever, hence Labor’s decision to press ahead with a private member’s bill.

Again, it is Rupert Myer who draws our attention to the economic disadvantage experienced by visual artists relative to other artists.

Myer believes that visual artists need to be able to earn a living wage to sustain their creative contribution. Indeed many artists have to work multiple jobs just to get by.

The Australia Council for the Arts in late 2003 released a report titled “Don’t Give Up Your Day Job” which vindicated Myer’s concerns about the
The struggle which Australian artists are confronted with every day.

The survey of 1063 professionals revealed that 50% of artists earn less than $7,300 from their art a year.

According to the findings, a third of practising Australian artists are living in poverty, with visual artists and females the most financially disadvantaged.

Only a quarter of respondents worked principally at their artistic occupation, despite almost 80 per cent wanting to spend more time at their arts work.

All artists need to be able to earn a living wage to sustain their creative contribution, but in reality they are forced to work multiple jobs just to get by.

The harsh reality is that artists have already missed out on millions of dollars of potential income because they were unable to benefit from the increased value of their own work.

Perhaps the best and most well known example of this occurred with the resale of Water Dreaming at Kalipinyapa by artist Johnny Warangkula Tjupurrula for $486,500 in July 2000, after the original purchase price of $150.

My colleague Bob McMullan jointly launched this policy with me and he spoke of how the GAMA Festival highlighted how central the work of visual artists is to so many indigenous communities.

Importantly, the Resale Royalty Bill 2004 will ensure that indigenous artists receive the artistic and financial recognition they deserve by preventing the worst of the manipulation and exploitation that has been seen in the art world in the past.

This bill also helps Australia keep pace with international developments. Schemes providing for artists resale rights have been mandated by the European Union through a directive that requires member states to comply by 2006 for living artists, and 2012 for artists’ estates.

There are at least a dozen countries that already have a scheme in place, the most well-known being France’s Droit de Suite (right to follow).

By introducing resale royalties, Labor will bring reimbursement of Australian visual artists in line with our other creative artists.

There are several key areas which deserve a more detailed explanation.

First and foremost are the definitions. An Artist is defined as a person who creates an artistic work, and the definition of an artistic work includes a painting, sculpture, drawing, engraving or photograph, and works of artistic craftsmanship. This definition includes craftworks or copies of works of art made in limited numbers that have been numbered, signed, or otherwise duly authorised by the artist.

The inclusion of such multimedia works in this definition is also important to ensure that a broad range of artistic works are encapsulated by this scheme, while allowing for the development of technology which enables the creation of new and exciting forms of original artistic works.

This Bill does not include the private sale of artistic works. Throughout Labor consultation, and as contained in findings of the Myer report, it was demonstrated that applying the right to private sales would be extremely complex, and raises a series of privacy implications, mainly due to the discrete manner in which many private sales are conducted.

Without a formal registration scheme, Myer found that it would be impossible to cover all transactions involving all works of arts. It is for these reasons that only public auctions and sales have been included in the Resale Royalty Scheme.

However it is important to note that a private seller will not be restricted or prevented from paying a resale royalty to the artist if they should so choose.

Similarly, should a resale royalty arrangement already exist between a seller and/or their art market intermediary and the artist—and that rate is greater than is consistent with this Bill, as is currently occurring with some private galleries, then the seller shall not be prevented from paying additional benefits to the artist, provided that the first 5% of the resale right has been paid to the nominated collecting society.
The Seller for the purposes of this Bill means the owner of an artistic work that is subject to resale.

The Resale Royalty bill will cover all artistic works which are created before or after the commencement of the scheme and importantly this clause addresses connecting factors between a sale and the application of the resale right under Australian law.

Labor believes that it is also important to have more than one connecting factor between a sale and the application of the resale right under Australian law.

These factors include a contract of sale governed by Australian law; artists who, at the time of resale are Australian nationals or have resided in Australia for a minimum of 2 years and; foreign artistic work sold in Australia where the artist is a national of a country that has a resale royalty scheme that provides a benefit to Australian artists.

Countries that provide reciprocal resale royalty schemes may also be prescribed by regulations.

The duration of the resale right is the copyright of the original artistic work, which under current Copyright law is life of an artist plus 50 years. This principle is consistent with the European Union Directive and international practice, although the period of protection in the EU, life plus 70 years, is currently longer than in Australia.

Also consistent with the EU Directive is that the provision in the Bill that the resale right shall rest with the artist, and may not be transferred or waived, and is therefore an inalienable right.

As mentioned previously, the Resale Royalty of 5 per cent shall be payable on all acts of resale of artistic work that take place in Australia through an art market intermediary.

The rate is applicable to the sale of all acts of resale (as distinct from payment only upon an increased sale price) so as to avoid legal complications and disputes arising from an inability to easily obtain previous records of sales and determine original value.

The rate of the royalty contained in the Resale Right Bill 2004 was determined after consultation with the visual arts sector and following recommendations arising out of the Myer review that the rate should be set at a flat rate of 3%-5% of the resale price of an artistic work.

This flat rate of 5 per cent differs from that in the EU directive which provides for a sliding scale for payments for the resale right which vary, depending on the price of the work, from 5%.

However, most countries which have implemented a resale royalty scheme have provided for flat rates of 3%-5%.

Labor has decided that a minimum sale price threshold will not be specified in this Bill, but rather allows for the minimum price subject to the right be prescribed by regulations.

Finally, the bill stipulates that the payment of the right may be made by the seller, or the art market intermediary, who is acting on behalf of the seller, directly to the authorised collecting society.

The Resale Royalty Bill 2004 does not specify a particular collecting society, only the measures required to name not more than one body to be the collecting society for the resale right.

Labor believes that it important that a collecting society meet all the requirements of this legislation and that a proper and transparent process occur in the selection of an appropriate body.

In consultations with the sector, we were notified that the artists collecting society Viscopy, intends to apply to be declared the collecting society for the resale right, an intention supported by organisations we consulted with.

In the situation of failure on behalf of the seller to meet these requirements, the collecting society is empowered by this legislation to bring an action for damages.

The ability to enforce these provisions are the principle reasoning behind the requirement for all payments to be paid through an authorised collecting society, as these rights may not easily be pursued and upheld by individual artists.

A collecting society is far better placed to pursue such claims and the Bill well provides for actions for damages through the Courts to recover unpaid royalties, as well as an existing reputation in the arts sector for pursuing these matters.
In conclusion, the areas of the bill I have outlined provide an insight to the development of Labor’s position in these areas. The Howard Government now has a choice to make. There are three options open to them. First, support Labor’s bill. Realistically this is the only way it will become law. Only five private members bills have been passed since Federation, and Government support is essential.

Second, they can oppose the bill straight or use government control of the legislative program to thwart its introduction and actual debate—a common tactic. If this occurs only a Labor win at the next election will see artist’s resale rights come to fruition.

Thirdly, the Howard Government could deliver on their lip service and bring forward a bill of their own, that Labor would assess on its merits in a timely way.

The important part of this debate is that regardless of the Government’s choices a resale right for artists will be implemented by Labor as soon as it is possible. We have acted on this important issue and artists can take heart.

Congratulations to artists and to their representatives. Their consistent articulation of the contribution that visual artists make to society and the need for economic benefit to be derived throughout the life of an artist has well and truly made a difference.

I also congratulate Rupert Myer for the diligence and care with which he approached an important inquiry.

I commend the Resale Royalty Bill 2004 to the Senate.

Senator LUNDY—I seek leave to continue my remarks later.

Leave granted; debate adjourned.

COMMITTEES
Publications Committee
Report

Senator COLBECK (Tasmania) (9.35 a.m.)—I present the 15th report of the Publications Committee.

Ordered that the report be adopted.

ASIO, ASIS and DSD Committee
Report

Senator SANDY MACDONALD (New South Wales) (9.36 a.m.)—On behalf of the Parliamentary Joint Committee on ASIO, ASIS and DSD, I present a report of the committee entitled Review of the Intelligence Services Amendment Bill 2003. I move:

That the Senate take note of the report.

This inquiry into the Intelligence Services Amendment Bill 2003 was referred to the committee on 15 October 2003 by the House of Representatives. Given the specific nature of the amendment, the committee resolved to hold private hearings on the matter with a number of departments and agencies affected by the proposed changes. Hearings were held on 27 October and 27 November 2003. The committee heard from a wide range of departments and officials: the Inspector-General of Intelligence and Security, ASIS, the Department of the Prime Minister and Cabinet, the Attorney-General’s Department, the Australian Defence Force, the Australian Federal Police and the Department of Foreign Affairs.

The background to the current arrangements under section 6(4) of the act is outlined in chapter 1 of the report, and it is worth noting. It explains the reasoning behind the current regime. The committee’s concerns for the issues raised when the original bill was considered informed much of the debate about this proposed amendment.

The minister’s second reading speech explained that the Intelligence Services Amendment Bill 2003 seeks to give ASIS the capability to operate more effectively in a fundamentally changed environment, marked by the tragic events of 11 September 2001 and 12 October 2002. These changes could not have been predicted when the Intelligence Services Act 2001 was prepared.
The committee notes that the limitations of subsection 6(4) of the current act prevent ASIS from providing its staff or agents appropriate training in self-defence and weapons handling; they prevent ASIS from seeking close personal protection for staff members or agents operating in warlike environments; and they prevent ASIS from cooperating with other agencies in legitimate activities to ensure Australia’s continued protection from the threats of international terrorism and transnational crime. This bill addresses these defects. However, it is important to note that the bill maintains the restraint on ASIS undertaking the use of force in its own right, other than for the limited purposes of self-protection. ASIS will continue to conduct its activities in a non-violent way.

ASIS is highly accountable and subject to extensive oversight under the existing act. It will remain so under this amendment. The committee’s recommendations reinforce the oversight regime under which ASIS operates, while allowing ASIS the operational flexibility it requires to fulfil in a timely fashion the demands the government makes upon it.

However, given the seriousness of these proposals, the committee was concerned to ensure that procedures were established for the strictest regime of accountability and review. Therefore, this report makes a series of recommendations to tighten the approval process and to establish guidelines and protocols for the operations of ASIS under the new sections of the act. The committee believes that the oversight mechanisms need to be incorporated in the act. Under the committee’s proposals the guidelines on the use of weapons and self-defence techniques which the bill requires will be agreed by the Inspector-General for Intelligence and Security and then approved by the National Security Committee of cabinet. These guidelines will cover, in detail, all aspects of ASIS training and operations in this area.

Specific approval for cooperation with foreign agencies, which may involve violence, would have to be sought from the Minister for Foreign Affairs in consultation with the Prime Minister and the Attorney-General. In addition to the stringent regime for approval of operations, ASIS will also have to produce regular reporting to ministers on these aspects of its operations and will continue to be subject to the rigorous oversight of the Inspector-General of Intelligence and Security.

There are nine recommendations in all. They are detailed, specific and illustrate the very detailed consideration the committee gave to all the implications of the proposed amendments. The committee has accepted the government’s advice on the need for the changes. However, these recommendations seek to balance the new demands associated with the difficult security environment since the terrorist attacks of 11 September 2001 and 12 October 2002 with a rigorous oversight regime and strict accountability measures which might provide confidence to the Australian public of the legality and propriety of ASIS actions.

I wish to thank my colleagues on the joint committee, who carry out their activities in a bipartisan, thoughtful and constructive way. On behalf of the chairman, I would also like to thank the officers of the committee—Ms Margaret Swieringa, Mr Charles Vagi and Mr Greg Ralph—in the preparation of this report. I commend the report to the Senate.

I would like to make some additional personal comments. This amendment to the Intelligence Services Act 2001 will allow ASIS people to protect and defend themselves, including through the use of weapons. The amendments will also allow ASIS to work more closely with other agencies in planning
for and supporting activities by approved agencies which might involve the use of force. The amendment will never allow ASIS to use weapons or violence as part of an activity, except for defensive purposes. It is a changed environment in which we live. This is a balanced approach to what is potentially a very difficult area, particularly in relation to the past history of ASIS from which it has moved a very considerable distance. I do think that the amendment will improve the legislation—which was a conclusion the committee came to after making some recommendations.

Senator ROBERT RAY (Victoria) (9.42 a.m.)—I suppose I should explain why the Review of the Intelligence Services Amendment Bill 2003 report is being presented in the Senate today rather than in the House of Representatives. If we were to go the House of Representatives route, we would not have been able to table this report until 29 March—which shows you how arcane, anally retentive and bureaucratic the House of Representatives has become when it comes to the tabling of reports. We would always prefer the Chair of the Parliamentary Joint Committee on ASIO, ASIS and DSD to table the report there, and we can follow suit later in the day. Because we want all senators and members of the House of Representatives to read and absorb the contents of the report before the legislation comes up—maybe in the last two sitting weeks—we thought it was most apt that it be tabled here today.

I would like to join Senator Sandy Macdonald in thanking my colleagues for the constructive way in which they approached this report and the secretary to the Parliamentary Joint Committee on ASIO, ASIS and DSD, Ms Margaret Swieringa, and Mr Charles Vagi, who was on loan at the time, for all the efforts they put in. But finally I would like to thank ASIS and ASIS employees for the way they approached this inquiry. At times they were confronted with some problems they had not considered. Rather than just dissemble or dodge the questions, I think they not only enjoyed but also actually answered those questions at a later hearing. They went away, they thought about it and they came back in a constructive way. So I think David Irvine and the rest of the ASIS team should be congratulated on the way they came to the table at this inquiry.

It is almost passing strange that we have an amendment bill just two years after we entrenched ASIS from a statutory point of view. It was only 2001 that we put ASIS on a statutory basis by legislating. We went through all the issues then in a special select committee, and the issues now addressed in the 2003 bill were never once raised then. Why is that so? The environment has changed quite dramatically.

The answer is very simple: September 11 and its knock-on consequences have changed the environment in which ASIS operates. That could not have been anticipated early in 2001 and it now needs a solution. I must say that the initiative for this particular piece of legislation came out of the agency itself, not out of government per se. It is the agency that put the requirement to government; government is acting on behalf of the agency. This is not a government initiative. It cannot ever be argued that this is another wedge or some such thing; it came from the agency itself.

This report, as Senator Sandy Macdonald said, contains many sensible suggestions about the development of protocols with regard to training, the types of weapons and the procedures associated with them. There is not much doubt that the government would have addressed these issues in any event, but what we would like them to do—and I am sure they will respond positively—is to ad-
dress them in advance, to set up the protocols, to have them registered with the Inspector-General of Intelligence and Security and to have them ratified by the National Security Committee of cabinet.

One of the requirements of this bill is that there be ministerial approval of training. I would have to say that this bill goes too far even for me. I do not expect the Minister for Foreign Affairs to approve every individual training authority, as this bill currently requires. We have suggested that he approve certain classes of ASIS employees to be trained and that he not be consulted on an individual basis every time. What we would like him to do is to concentrate on the main game and that approvals do not just become routine. I hope the government will accept that, because we are in fact lessening the workload of the foreign minister.

The main reason for this legislation is to give ASIS employees who are operating overseas an ability to defend themselves. This comes out of existing casework, where there are scenarios of ASIS employees having been put in an endangered position. They should have the right to defend themselves, like any people operating in that position. That is just commonsense. It follows that they must have the right to appropriate training beforehand. We are not talking about ASIS employees walking around with bazookas or Maxim guns or anything like that. They are mostly light arms, pistols, semiautomatic and automatic weapons—the normal sorts of thing you would expect AFP officers, for instance, to be wandering around with.

The second leg of the legislation, which I think is crucial, will allow ASIS employees to accompany other Australian agents who are armed, such as the Federal Police and the SAS. At the moment it is not possible for an ASIS employee to accompany an armed member of another Australian agency while operating overseas. This, to me, is absolutely ridiculous. If there is one thing we are starting to learn in the intelligence area, it is the absolute value of accurate and timely operational and tactical intelligence. That is the very thing ASIS will be involved in. We know there are certain weaknesses in the strategic intelligence area, but that is for another debate. It makes commonsense that the legislation be amended. There will be circumstances where an ASIS employee, not armed, will be in the company of people from other Australian agencies who are armed. There is nothing unusual in that at all, and it is quite appropriate.

There is one very controversial area in this legislation that is not properly alluded to in the explanatory memorandum nor in the second reading speech, and that is the ability now under this legislation for ASIS to be involved in planning paramilitary activity and accompanying overseas agencies who are armed and who are doing what is defined in the legislation as legitimate activity. The real question is: what constitutes ‘legitimate’? Is it legitimate by Australian standards or legitimate by those foreign agencies’ standards? There may be a difference between the two, and that could give us problems emanating from all the way back to the changes made after the 1983 Sheraton raid, where ASIS had its entire ability to be involved in paramilitary activity cancelled—null and void, not allowed to do it. There are circumstances in this modern world of cooperation between foreign agencies and Australian agencies where you can envisage a situation where ASIS employees will be involved in those activities. How do you control that? You could write legislation to control it, but there are so many contingencies, so many variables, that it would be almost impossible to write legislation that would cover all those. All you can do is say that these activities are allowed or they are prohibited. The
I have to say that my colleague Mr Leo McLeay has severe reservations about this. All of us have some doubts. The way the committee has approached this is to say, ‘Rather than try to write legislation, let’s extend the area of authority.’ At the moment it resides entirely with the foreign minister, so the committee said, ‘No, extend that consultation and approval process to the Prime Minister and the Attorney-General.’ This is not necessarily in any way a reflection by the committee on Mr Downer’s judgment, but there is no sunset clause in this legislation. We do not know who will be foreign minister in future. We do not know which foreign minister will go too far up the Mekong and start authorising all sorts of mad projects, but it is much less likely if the responsibility is spread over to the Prime Minister and the Attorney-General. Ultimately, if they misbehave they will be brought to book by the Inspector-General and by this parliament, but at least it means a wide area of judgment has been brought to bear on these types of operations.

Once again this committee has said that the role of the Inspector-General is crucial in looking at all these activities and at the protocols. It is mandatory that, if ASIS is involved in activities with a foreign agency that have the consequential effect of embarrassing Australia, it be reported to the Inspector-General, who in turn will report it to the National Security Committee of cabinet. We have insisted all the way through our reports that adequate safeguards and oversight be put in, without going over the top. It is very easy to go over the top and demand more and more oversight and safeguards to the point where the whole system does not work. We have resisted that; we have got the right balance. The nature of this report encourages the government, when it brings the legislation back, to amend it in three or four areas and to agree to certain protocols. I think you will get a very good, balanced, commonsense piece of legislation emanating from this chamber.

Senator FERGUSON (South Australia) (9.52 a.m.)—Because of the pressure of time I am only going to speak very briefly. I do want to make a couple of comments. I support the comments of both Senator Sandy Macdonald and Senator Robert Ray that this report makes some important recommendations in relation to the proposed Intelligence Services Amendment Bill 2003. There is no doubt that the close scrutiny of the proposed amendments—the original amendments—has made the bill much more acceptable to people on both sides of the parliament.

I particularly want to join with Senator Robert Ray in complimenting ASIS for the cooperation they gave to us when we were trying to deal with this bill and trying to satisfy the concerns that were expressed by a number of members of the committee over some particular amendments that were being made and the overall effect that those amendments would have. In discussions with ASIS I am sure that the concerns that were expressed by the members on that committee were taken on board and we have come up with a series of unanimous recommendations, which is the want of this committee. It is fair to say that the members of this committee do work in a cooperative manner at the times that we deal with legislation in trying to come up with results that will be long term and with satisfactory bills for governments, regardless of whoever might be in government, to work with. I think that is most important. I do particularly thank ASIS.

I do not want to repeat in detail the things that have been said by Senator Robert Ray on the various amendments and the various aspects of the bill, except to say that I note
that he mentioned the concern expressed by some members about operations overseas. It is a very difficult decision to make when you are talking about what might or might not happen at some stage in the future and you can only really make what you think is the best balanced decision. I do not envisage that the provisions of this bill are likely to be put in place at all often. We do have to have the bill in place so that there is some form of oversight. The changes that were made to the original bill spread the load, as Senator Robert Ray said, amongst those who have the oversight of what operations might take place overseas and are acceptable to both sides of the parliament. I am very pleased to associate myself with the remarks of both Senator Sandy Macdonald and Senator Robert Ray in bringing this important report to the parliament. Let us hope that we can get on and get the bill through this place as soon as possible.

Question agreed to.

**AUSTRALIAN SPORTS DRUG AGENCY AMENDMENT BILL 2004**

**CUSTOMS LEGISLATION AMENDMENT (APPLICATION OF INTERNATIONAL TRADE MODERNISATION AND OTHER MEASURES) BILL 2003**

**IMPORT PROCESSING CHARGES (AMENDMENT AND REPEAL) AMENDMENT BILL 2003**

First Reading

Bills received from the House of Representatives.

**Senator IAN CAMPBELL** (Western Australia—Minister for Local Government, Territories and Roads) (9.56 a.m.)—I indicate to the Senate that these bills are being introduced together. After debate on the motion for the second reading has been adjourned, I will be moving a motion to have one of the bills listed separately on the Notice Paper. I move:

That these bills may proceed without formalities, may be taken together and be now read a first time.

Question agreed to.

Bills read a first time.

Second Reading

**Senator IAN CAMPBELL** (Western Australia—Minister for Local Government, Territories and Roads) (9.57 a.m.)—I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

**AUSTRALIAN SPORTS DRUG AGENCY AMENDMENT BILL 2004**

The purpose of the Australian Sports Drug Agency Amendment Bill 2004 (the bill) is to enable the Australian Sports Drug Agency (ASDA) to perform particular functions required as a result of the introduction of the World Anti-Doping Code (the Code).

Australia’s domestic anti-doping program has a reputation as a world leader. The Australian Government’s Tough on Drugs in Sport policy provides a comprehensive framework in the fight against doping in sport.

The anti-doping framework includes effective anti-doping laws, policies and procedures; international best practice testing; education programs for athletes and sports as well as an anti-doping research program.

In recent times there has been a concerted effort to harmonise anti-doping policy and practice internationally. This work culminated in the development of the World Anti-Doping Code, released in March 2003 and now being implemented by sporting organisations worldwide.

The World Anti-Doping Code seeks to harmonise anti-doping policy and practice among sporting bodies and tighten the net on drug cheats. Importantly, the Code has been developed through col-
laboration between governments and sport to create an international level playing field.

This means that Australian athletes can have confidence that they will be competing in an environment free from performance enhancing drugs and doping methods.

The International Olympic Committee (IOC) has already adopted the Code and all International Sports Federations, National Sporting Organisations and national anti-doping organisations are expected to also adopt the Code.

Australia, along with over 90 other countries supports the Code through the Copenhagen Declaration on Anti-Doping in Sport.

ASDA is recognised as a national anti-doping organisation under the Code and these amendments will enable ASDA to adopt and implement what is required of it under the Code by the commencement of the Athens Olympic Games in August 2004.

The proposed amendments have been guided by three elements of the Code: the recognition of international standards, new anti-doping rule violations, and the reporting and sharing of information.

The Code provides for the World Anti-Doping Agency to develop international standards for certain technical and operational aspects of anti-doping activities. These include standards for handling samples, use of certain substances for genuine therapeutic purposes, prohibited substances and methods, and standards for laboratory accreditation.

These amendments will enable ASDA and the Australian Sports Drug Medical Advisory Committee to comply with these standards when carrying out their functions under the Code.

The Code sets out the full range of circumstances that constitutes violations of anti-doping rules by competitors. This includes circumstances in addition to those covered by existing legislation. These additional circumstances are: the failure of a competitor to provide information about their whereabouts so that ASDA can locate the competitor to conduct drug testing; the deliberate evasion by a competitor of an attempt by ASDA to make a request to provide a sample for the purpose of detecting whether or not the competitor has used a banned drug or doping method; and tampering, or attempting to tamper with any part of the doping control process.

The effect of these proposed changes is that ASDA will be able to make an entry on the Register of Notifiable Events in relation to these additional circumstances as well as those currently provided for under the existing Act.

As is the case with existing doping violations, athletes will have the right to seek a review of ASDA’s decision to enter these incidents on the Register through the Administrative Appeals Tribunal (AAT).

In order to achieve world-wide coordination of anti-doping efforts, the Code requires the sharing of information with other parties who are authorised to test athletes or undertake certain functions relating to the monitoring of test results and the implementation of exemptions for genuine therapeutic use of prohibited substances.

The proposed amendments will enable ASDA to disclose relevant information relating to Australian athletes, such as their whereabouts in order to administer an effective and efficient anti-doping regime. Depending upon circumstances, this information may be provided to the World Anti-Doping Agency, International Sports Federations, National Sports Federations, or national anti-doping organisations.

This is consistent with the principles of existing legislation providing for the sharing of relevant information with appropriate organisations.

In the interests of accountability and transparency, the Code requires public release of athletes’ identities once a hearing has been completed.

Because results management is a shared responsibility between ASDA and sporting bodies, and in order to provide full accountability for its functions, it is proposed that the Act be amended to allow ASDA to add the names of competitors to the information on the Register available for public release. It is intended that this public release would only take place after the athlete has had their case heard and the sporting body involved has had adequate time to release the information.

The Code requires disclosure to certain sports administration bodies at an earlier point than currently provided for in the Act. Such early notifica-
tion is necessary to enable sports to expedite the results management processes. For example, if a competitor returns a positive ‘A’ sample on the eve of an important international competition, there may be compelling reasons for the relevant sport to deal with the matter prior to the event.

The Government believes that it is important to protect the rights of competitors in these circumstances. Therefore, it is proposed that ASDA will only provide ‘early notification’ in circumstances where it is satisfied that the sporting organisation will not use or disclose the information in a way that would be unfairly prejudicial to the interests of the competitor.

It is important to note that, other than the proposed new range of disclosures to be authorised under the Act, the Act has been amended to ensure the operation of the Privacy Act 1988 is not limited. It is intended that the privacy aspects of the amendments to the Act would be reviewed three years after they come into force.

This bill has been developed after careful analysis of the World Anti-Doping Code’s requirements and having regard to Australia’s existing procedures, structures and legal system.

These amendments will advance Australia’s existing anti-doping framework to meet the challenges in the lead up to the 2004 Athens Olympic Games and beyond and will affirm Australia’s commitment to achieving a sporting environment free from performing drugs and doping methods.

CUSTOMS LEGISLATION AMENDMENT (APPLICATION OF INTERNATIONAL TRADE MODERNISATION AND OTHER MEASURES) BILL 2003

The Customs Legislation Amendment (Application of International Trade Modernisation and Other Measures) Bill 2003 is an omnibus bill that contains amendments to the Customs Act 1901, the Customs Legislation Amendment and Repeal (International Trade Modernisation) Act 2001, the Customs Legislation Amendment Act (No. 1) 2002, the Import Processing Charges (Amendment and Repeal) Act 2002 and the Migration Act 1958.

The amendments in this bill clarify the operation of the legislation that implements Customs International Trade Modernisation, enhance Customs border controls and clarify cargo reporting requirements and calculation of Customs duties on alcoholic beverages.

This bill is cognate with the Import Processing Charges (Amendment and Repeal) Amendment Bill 2003.

The most significant part of this bill is the transitional arrangements for the handling of imports during the transition between the Customs legacy electronic systems and the new Integrated Cargo System.

The current legislation provides for no overlap in the operation of the two systems and assumes that transition occurs immediately upon turning off the legacy systems.

Consultation with industry has identified that the nature of the import business requires that there be a period of time for finalisation of import transactions commenced in the legacy system as well as early access to the Integrated Cargo System to allow for compliance with reporting requirements.

These amendments will ensure that importers can continue to operate during the transition without undue administrative burden or interruption to the flow of international trade.

The bill proposes amendments that deal with self-assessed clearance declarations.

A self-assessed clearance declaration is a new communication to be introduced with the Integrated Cargo System and applies to certain low value goods.

Information provided in the self-assessed clearance declaration enables the goods to be assessed by Customs and Quarantine for compliance with prohibitions and restrictions and collection of duties and taxes where required.

These amendments will provide certainty in how the electronic communication is processed and how the release of the goods is communicated to the owner.

The bill also proposes minor amendments concerning the import and export of goods which will clarify the operation of the International Trade Modernisation legislation.
The bill proposes amendments to the Customs Act to allow the Minister to prevent the delivery of certain restricted imports into the Australian community, if the delivery of the goods is not in the public interest.

The provision would operate only in relation to imported goods that are already restricted by the Customs (Prohibited Imports) Regulations 1956. These are dangerous goods such as firearms.

The provision would allow the Minister to detain the goods for a specified period, allow incremental release of the goods or allow the importer to re-export the goods.

If detention of the goods results in the acquisition of property, then compensation on just terms will be made.

It is expected that the power to detain goods in the public interest would be exercised by the Minister only in limited or exceptional circumstances and the Prohibited Import Regulations would remain the principal means to prohibit or restrict the entry of goods into Australia. The power cannot be delegated.

The bill also clarifies record retention obligations, certain maritime powers in the Customs Act and Migration Act, existing impoundment provisions and the charges payable in respect of in-transit cargo reports.

Finally the bill introduces a clearer basis for calculating duty on certain alcoholic beverages and also provides authority to vary the timing of outward manifest reports by regulation.

It will also ensure importers and industry will not pay higher cost recovery charges for making documentary entries and reports after the legacy electronic systems are turned off. The lower charges for electronic entries and reports will be applied to documentary entries and reports made when the Customs legacy import systems are no longer available for use by importers and industry.

Debate (on motion by Senator Mackay) adjourned.

Ordered that the resumption of the debate be made an order of the day for a later hour.

Ordered that the Australian Sports Drug Agency Amendment Bill 2004 be listed on the Notice Paper as a separate order of the day.

TELECOMMUNICATIONS (INTERCEPTION) AMENDMENT BILL 2004

First Reading

Bill received from the House of Representatives.

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (9.58 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—Minister for Local Government, Territories and Roads) (9.58 a.m.)—I move:

That this bill be now read a second time.

Question agreed to.

Bill read a first time.

Second Reading

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (9.58 a.m.)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—
This bill amends the Telecommunications (Interception) Act 1979 to ensure the ongoing effectiveness of the Australian telecommunications interception regime.

Telecommunications interception is an essential tool in investigating serious and organised crime and in gathering security intelligence.

The Government is committed to ensuring that the Interception Act keeps pace with developments in telecommunications technology, and allows law enforcement and security agencies to combat increasingly sophisticated criminal activity and threats to national security.

To that end the bill clarifies the application of the Act to e-mail and similar communications, and allows telecommunications interception warrants to be sought in connection with the investigation of a wider range of serious offences, including terrorism offences.

The bill includes amendments to allow recording of calls to ASIO public lines to assist in the effective investigation of security matters.

The bill also amends the definition of interception to ensure that the protections conferred by the Interception Act keep up with technological developments.

As a result of recent advances in technology, many communications passing over the telecommunications system now take the form of written words or images, to which the current definition of interception is not directly applicable.

The bill will amend the definition of interception to include reading and viewing, as well as listening to and recording, a communication in its passage over the telecommunications system.

The amendment will ensure that the protections afforded by the Act extend to all forms of communication passing over the Australian telecommunications system.

The bill also amends the Interception Act to allow law enforcement agencies to obtain warrants to assist in the investigation of terrorist offences set out in Divisions 72, 101, 102 and 103 of the Commonwealth Criminal Code, offences involving dealings in firearms and State and Territory cybercrime offences.

The Criminal Code sets out a range of terrorism offences attracting penalties up to life imprisonment, including terrorist bombings, providing or receiving training connected with terrorist acts, directing the activities of a terrorist organisation, and providing or collecting funds in connection with a terrorist act.

The amendments arm law enforcement agencies with the necessary tools to investigate all the terrorism offences set out in the Criminal Code.

This amendment supplements the existing definition of class 1 offence, which allows a telecommunications interception warrant to be sought in connection with the investigation of offences involving an act or acts of terrorism.

Amendments to allow interception warrants to be sought in connection with a broader range of terrorism offences reflect the Government’s ongoing commitment to combating terrorism.

The bill will also enable interception warrants to be sought in connection with State and Territory cybercrime offences.

This amendment complements existing provisions allowing interception warrants to be sought in connection with the investigation of Commonwealth cybercrime offences set out in the Criminal Code.

The ability to lawfully intercept telecommunications is an essential tool in the investigation of computer crime.

Computer crime commonly involves extensive use and abuse of the telecommunications system.

The effective investigation and prosecution of the perpetrators of these offences often depends on access to electronic communications.

Finally, the bill will also strengthen the Act by enabling interception warrants to be sought in connection with the investigation of dealings in firearms, in circumstances where the commission of the offence involves substantial planning and organisation, sophisticated methods and techniques and is punishable by a maximum of at least 7 years imprisonment.

These amendments recognise the seriousness of the trade in firearms, and provide law enforce-
ment with the necessary tools to investigate and prosecute offenders.

The bill also amends the Act to clarify its application of the Act to modern means of telecommunications, such as e-mail, SMS messaging and voice mail services.

The increasingly widespread use of this new technology by persons of interest to law enforcement and security agencies has posed serious operational difficulties for those agencies in the performance of their functions.

The amendments make it clear, for example, that it is not necessary to obtain a telecommunications interception warrant in order to access a stored communication that can be accessed using the equipment on which it is stored but without the use of a telecommunications service.

This does not mean that such communications are not protected at all. Rather, it will be necessary to obtain some other form of lawful access, such as a search warrant authorising the holder of the warrant to operate the equipment on which the communication is stored.

The Government remains committed to clarifying the Act to achieve certainty in the scope and application of the Act.

The amendments now proposed achieve that clarification and will assist agencies in the performance of their functions.

The amendments differ however from those previously introduced, and address concerns expressed during consideration of the earlier amendments by the Senate Legal and Constitutional Legislation Committee.

The amendments achieve an appropriate balance between protecting communications passing over the telecommunications system and the need for accessibility in the investigation of serious crime and security matters.

The bill also provides an exception to the prohibition against interception to allow ASIO to record calls to its public lines.

ASIO maintains a number of dedicated telephone lines, the numbers for which are publicly available in telephone directories and telephone number databases.

These public lines are frequently contacted by persons wishing to pass on information that they consider relevant to the Organisation’s functions. Some of the information may be critical to the effective functioning of the Organisation in collecting intelligence relevant to security.

ASIO’s ability to effectively investigate matters relevant to security will depend, in part, on the availability of an accurate recording of the call.

The Government recognises that telecommunications interception is an intrusive method of investigation and reaffirms its commitment to protecting the privacy of individuals using the Australian telecommunications system.

The amendments contained in the bill represent practical steps on the part of the Government to ensure the ongoing effectiveness of the Australian telecommunications interception regime, and to assist in the investigation of serious criminal activity, including terrorism, cybercrime and dealings in firearms.

Ordered that further consideration of the second reading of this bill be adjourned to the first day of the next period of sittings, in accordance with standing order 111.

COMMITTEES

Rural and Regional Affairs and Transport Legislation Committee

Report

Senator FERRIS (South Australia) (9.59 a.m.)—On behalf of the Chair of the Rural and Regional Affairs and Transport Legislation Committee, Senator Heffernan, I present the final report of the committee on the proposed importation of fresh apple fruit from New Zealand.

Ordered that the report be printed.

Community Affairs References Committee

Report

Senator HUTCHINS (New South Wales) (9.59 a.m.)—I present the report of the Community Affairs References Committee entitled A hand up not a hand out: renewing the fight against poverty: report on poverty
and financial hardship, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

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

Leave granted.

Senator HUTCHINS—I move:

That the Senate take note of the report.

This Senate Community Affairs References Committee report on poverty is the culmination of an inquiry that has taken the committee from Canberra to Perth and from Ballarat to Townsville. In all, the committee held 17 days of public hearings, heard from 340 witnesses, and received 259 public submissions and 15 confidential ones. The committee conducted a forum in Melbourne with leading welfare groups and academics. The committee also visited community welfare centres, self-help projects and the Indigenous community at Palm Island.

The report covers the complex issues of measuring and defining poverty and identifying the causes of poverty. It looks at income inequality and wealth distribution. But behind the discussion of what is a better measurement of poverty, and the graphs and the tables, lies the real story of poverty in Australia. It is the story of volunteer organisations providing breakfast for kids at school; it is the story of families unable to afford medications for their children who have head lice; it is the story of children without textbooks because their parents cannot afford to pay for or hire them; it is the story of youth who can only look forward to a lifetime of casual and part-time employment; it is the story of working families who can no longer make ends meet; it is the story of people sleeping under bridges, on beaches and in cars; it is the story of the frail aged—homeless and without hope; and still it is the story of our Indigenous population, who come last in every measure of poverty.

We can and must do all within our power to lift our fellow Australians out of poverty. But, most importantly, what they want is a hand up, not a handout. The committee heard of two and three generations of one family seeking assistance from welfare organisations. This is entrenched intergenerational poverty. Unfortunately, it is not uncommon. Welfare organisations argued that they are stepping into the breach because government systems are failing to provide adequate financial support. The Commonwealth must address poverty now and look to improving its programs. Unemployment is a key reason for deprivation and disadvantage. The current Job Network model is failing the unemployed. There are problems with the family payments system that must be addressed to eliminate poverty traps. And the crisis in public housing must be addressed.

There is child poverty throughout this country. Many children in poverty suffer abuse and neglect because of the impact of poverty on their parents and families. Fixing this will take a whole community approach—not just the provision of more resources for schools in disadvantaged areas or more ad hoc programs. The whole community must be engaged so that there are adequate early childhood education programs and so that parents can learn how to support their children to have a positive educational experience. We must also support the youth of Australia and provide them with pathways for a successful transition from school to work. Those who do not finish school are most at risk, and more intensive programs are necessary to ensure that young people have the skills needed for a successful working life.

When people do find work, their working life needs to fit with their family commit-
ments. The increasing casualisation of the work force and the proliferation of labour hire firms have removed the basic dignity of people to manage their own affairs. Casual work no longer leads to full-time or permanent work, but has led to a crisis of low pay, fragmented work patterns and insecure hours. Without those benefits, Australian workers will continue to work in jobs which fail to provide them with the security families need.

It is essential that the Commonwealth—and, in particular, the Prime Minister—take a leadership role on the issue of poverty. The coalition has given no direction and, rather than improving the opportunities available to disadvantaged Australians, has directly attacked them. It is not surprising that the GST, the lack of bulk-billing doctors and the dearth of child care were raised as significant barriers to breaking the poverty cycle. For too long the coalition has paid lip-service to protecting the disadvantaged and creating opportunity. But the reality and the truth we heard from the community is that there is increasing division between the opportunities available to the rich and to the poor.

This report calls on the Commonwealth to establish a body, reporting directly to the Prime Minister, to develop, implement and monitor a national poverty strategy. There must be poverty reduction targets, and the parliament must be kept informed of how successful strategies are in achieving these targets. The body must lead debate on the issue of poverty so that there is a clear focus. An official measurement of poverty should be the first step in developing that focus. That measure should be enduring and independent of government. For too long a complex system of departments, community groups and different tiers of government has provided services to the financially disadvantaged without a focal point to provide direction. The committee’s recommendations represent a move towards a coordinated, targeted approach which will ensure that far fewer Australians are marginalised.

The Irish anti-poverty strategy is a model that has been successful and that should be used as a blueprint for the Commonwealth’s approach to poverty. Between 1994 and 2001, poverty declined from 14.5 per cent to 5.2 per cent because of the setting up of cross-departmental committees and targets for the reduction of specific factors in the Irish definition of poverty. In addition to the national strategy, the committee has recommended practical solutions to daily problems. It heard evidence that many children are going to school hungry, which significantly affects their concentration span. In an attempt to address that, the committee has recommended that school breakfast programs be established in disadvantaged areas to provide children with the basic sustenance they need to get the most out of their education.

Unemployment and underemployment are the key causes of poverty. The committee has recommended that a training guarantee be provided to the long-term unemployed to ensure that they are back at work as quickly as possible. But, once people get into work, their wages need to be consistent with the standard of living all Australians should enjoy. The committee has endorsed a new minimum wage, to be set by the Australian Industrial Relations Commission, which is consistent with contemporary community standards on an adequate standard of living. For those who receive benefits while they work, effective marginal tax rates as high as 80 per cent should be reduced—hard work and self-sufficiency should be encouraged, rather than discouraged as they are currently.

Many Australians are falling into the trap of taking on debt to fund day-to-day expenses. In many cases loans or credit pro-
vider contracts are so complicated that people do not understand what commitments they are making. As a result, the committee has recommended that credit providers be required to provide plain English information to potential clients. We need nationally consistent limits on the interest rate that can be charged, such as those that exist in New South Wales, Victoria and the ACT, so that desperate people are not taken advantage of. Financial counselling is of great benefit to many in the community but it is significantly underfunded. As such, the Commonwealth, states and territories should increase their contribution to prevent people from getting into real trouble and falling below the poverty line.

There is a way to overcome poverty in Australia but it will take commitment, leadership and vision. It requires ambitious plans that will test our national resolve and values. It must be done if we are to continue to be a generous and compassionate nation committed to the equity of opportunity that all Australians firmly believe in. Finally, I would like to thank the staff of the secretariat, who worked tirelessly throughout what was a demanding inquiry. Particular thanks should go to Christine McDonald, Peter Short, Leonie Peake, Ingrid Zappe and the secretary, Elton Humphery, and also to the members of the committee who were able to attend the various hearings we had throughout the country.

The report is a culmination of nearly 12 months of going around the country. We saw a lot of evidence of the disintegration of the social fabric at the fringe for a lot of Australians. I mentioned before how a number of philanthropic organisations are starting to feel the pinch as a result of having to take up where the government leaves off. Organisations like St Vincent de Paul, Anglicare and UnitingCare are having to provide more and more services for men, women and their families that are not able to make ends meet. As I said in my report—and this is also the name of the report—time and time again the men and women who gave evidence before us said they wanted a hand up from the Commonwealth and the community, not a handout.

Senator KNOWLES (Western Australia) (10.10 a.m.)—Today we are reporting on a very long inquiry into poverty, as Senator Hutchins has just referred to. The government senators approached this inquiry in the vain hope—it now appears—that there would have been a bipartisan outcome for this inquiry into such an important issue. Instead, we were presented at the eleventh hour with one week to respond to a 420-page draft wish list.

Senator Ian Campbell—It was two weeks.

Senator KNOWLES—It ended up being two weeks. I sought an extension of time for a month for us to respond to this most comprehensive wish list that is directed to the states and territories. I was denied that. Interestingly enough, I was denied it on the basis that the chairman, no less, told me that we committee members had the resources of government to write our report, which is a very interesting proposition. For me to hand over the draft to the government would have been a gross breach of privilege. Therefore, it was unbelievable in the extreme to think that a chairman would say to us, ‘You can’t have a reasonable extension time to do a minority report because you’ve got the resources of government.’

This is a very important issue and the government senators recognise that there are challenges to assist those who are suffering hardship. We should be looking at building on the gains that have been made in the last eight years. It is sad for those who were affected by this inquiry that this outcome has not been bipartisan. Not only that—the draft
report was leaked in its entirety in advance of its tabling and in advance of the first discussion by the committee. Government senators, as I said, were hopeful that this would have a better outcome and that the Labor opposition would start by looking at what has happened in the last eight years and say, ‘They are great steps forward; what we need to do is work together for the benefit of those suffering hardship to make things even better.’

It is a statement of fact that Australia has one of the best and most generous income support systems in the world. Most support systems in the world one has to contribute to and, after a very short period of time, income support is removed. That has never been part of the Australian ethos. Australians are extraordinarily generous in their fair go attitude but they believe in mutual responsibility. While the current system works well for most, at no stage are we or the government saying that everything that can be done has been done—far from it. We believe there is much more to be done; there is much more to build on. The provision of over 1.3 million new jobs, which has contributed to a massive 30 per cent fall in the unemployment rate since Labor left office, is part of that equation. There have been more full-time jobs created just in the last six months than there were in the last six years of the Labor government.

Senator Ferris—What was that again?

Senator KNOWLES—There have been more full-time jobs. Senator Ferris, created in the last six months by this government than there were in the last six years of the Labor government. The only policy that the Labor Party had on poverty was Prime Minister Hawke saying, ‘By 1990, no child shall live in poverty.’ What did they do to follow that policy up? They put a million people out of work. That is not the way this government operates. The government has paid back $66 billion of Labor’s $96 billion debt.

This is just a brief overview of what we were hoping the opposition would want to build on. Unemployment rates have dropped from 10.9 per cent to 5.7 per cent; the number of unemployed has dropped from nearly a million to 583,000; female unemployment has dropped from 7.6 per cent to 6.1 per cent; male unemployment has dropped; youth unemployment has dropped; mature age unemployment has dropped; the number of local government areas with unemployment less than five per cent has increased; the labour market regions with unemployment above 10 per cent have gone from 15 under Labor to one under the coalition; apprenticeships have increased from 141,000 to 398,000; home mortgage rates have dropped from 17 per cent to six per cent; annual average inflation has halved; average weekly earnings have increased from 7.6 per cent to 16 per cent; and average disposable household incomes have increased since 1996 by 13 per cent.

It is very interesting to look at the value of real wages. Under Labor it was minus 2.5 per cent; under the coalition it has been plus 6.5 per cent. The nation’s debt has dropped from $96 billion under Labor to $29.7 billion under the coalition. Under Labor each person owed $5,235 and we have brought that down to $1,600. There is an error in the minority report where the figures for expenditure on government schools are transposed. They should be: under Labor, $1.5 billion; under the Commonwealth government, $2.4 billion.

There are some very important areas where we hoped the Labor opposition would have come across and enjoyed saying, ‘This is a great outcome. We want to build on it. We want to look at the way in which we can support those most in need.’ We have intro-
duced the Personal Support Program at Centrelink whereby people who are in need can go along to the personal support officers and be taken through things individually and their problems and the areas in which they need assistance can be identified. Then they can be moved into transition to work programs, training accounts, training credits, passports to employment and Centrelink personal advisers. There has also been better assessment of people with disabilities. Quite often, people with disabilities are discriminated against and we have tried to remove that discrimination at every course. Therefore, to ensure that those people are identified and assisted, they have been given special attention, which was never granted under Labor. We have given support to parents that we want to see enhanced—for example, providing additional child-care places. Senator Hutchins talked about the dearth of child-care places. There are 200,000 more child-care places since Labor left office and he says there is a dearth of child-care places—pretty interesting sums to me.

Support for older workers is also particularly important. There are now a number of measures in place that we need to work on to help older workers. Unfortunately, the Labor Party in the last couple of weeks do not want older people to work at all. They would much prefer to see them slip into poverty after a specified time of retirement. What we are saying is that, if older people want to continue to work, we will give them the incentives and support to do so, so as to avoid them going into poverty, but the Labor Party takes a different view.

We also have a number of programs for support for Indigenous people on which we have to build. Those programs have proven to be most successful in the way in which we have been able to get more people into work and into useful areas of participation in the community. Language, literacy and numeracy are very big problems which we have tried to address from primary school all the way up. If we have a continuation of Labor’s intergenerational lack of literacy and numeracy, we can only expect an increase in poverty. We have tried to stop that at the school level and all the way up to families. An extra $160 million for disability employment services has been allocated from July 2003. There is much we need to build on to ensure that we minimise the number of those people who are in need and those who are suffering any form of poverty in Australia. We must make sure that we do not get caught up in more committees, more reference groups, that would simply delay the issue even further. There is no point in saying that we can try to accept poverty lines and poverty targets.

Senator LEES (South Australia) (10.20 a.m.)—It is most unfortunate that some senators went into this very important inquiry with a view to proving which government did what when or what process or program was better than another, looking at statistics and economic outcomes. There is no doubt we have a strong economy, but we went into this very important inquiry to look at what is happening to a very large number of Australians. Surely, no-one who sat through even one of the hearings can have any doubt about the fact that we have far too many Australians, particularly children, living in poverty. The evidence is clear that somewhere between nine and 13 per cent of Australians are living in situations which mean basically that they cannot regularly put food on the table and they cannot afford to buy for their children what other children take for granted. There are families where just one extra medical bill or one extra crisis, such as the fridge breaking down or the car not starting in the morning, means for them an enormous amount of effort and trouble, perhaps borrowing from family, perhaps getting further
into debt—families that do not have an easy and comfortable life in this country. It is rather sad that we could not approach this inquiry from the point of view of looking at the evidence and then working out cooperatively, with a unanimous report, what we do about the problem.

There is no doubt either that charities are massively overworked, overstressed, overstretched and underfunded. I take this opportunity to thank all those groups—St Vincent de Paul, the Salvation Army, Anglicare, the Uniting Church—that are working so hard with limited resources and having to turn people away because they themselves do not have any more food parcels or any more cash to help someone pay an urgent electricity bill.

I do not have time to go through the recommendations one by one, but I wish to begin by saying that perhaps the most important recommendation is the one calling for a national strategy. We were given examples of where the strategies have worked. Senator Hutchins was saying that the Irish strategy has proved most effective. The ACT has done some very good work on at least identifying where the problems are in a holistic manner, mapping it properly as to where the specific areas are that need attention.

There are many factors that push people into poverty. Senator Knowles quite accurately talked about some of the good statistics with respect to job creation. But the fact is that many people living in poverty have a job. Quite a large number of them have one job or, in some cases, more than one person in that family unit manages to get their hands on some part-time contract work, some casual work and that is simply not enough. When we look at some of the recommendations, we see that we simply have to have more opportunities and better opportunities for people to have realistic jobs. It is not a matter of going back into the 1970s, as the Liberal senators have suggested, and looking at some of those schemes. We have work that needs to be done—real jobs, such as upgrading our national rail network and improving infrastructure at our public hospitals and our universities. I spent time at the Adelaide University’s Dental School only a week ago. The school is struggling to teach in rooms that were designed in the fifties for half the number of students it is trying to push into them now, with equipment that dates back to the mid-1960s to early seventies that no dental school in the world would want as a hand-me-down. Still it struggles to get enough money to do the basic upgrading that is needed. There are plenty of jobs out there to be done. If our school systems were funded properly, we would have more teachers aides and more teachers. If our hospitals were funded properly, we would have the right number of nurses. The jobs are out there; it is a matter of matching those people who are unemployed through proper work programs and, in particular, training for the jobs that are waiting to be done.

As to why people are finding themselves in poverty, it is a mixture of things. It is a mixture of underemployment or unemployment and, for those who are unemployed, often the breaching regime catches up with them. It is a mixture of housing costs, the lack of public housing and affordable housing and the lack of adequate education opportunities, particularly if people have left school early. There are some students in the gallery now. It might seem very attractive to disappear at age 16 or 17 to a job that will give you 20 hours a week in a fast food outlet, but what happens when you are 18 or 21? Those people are really struggling now to get meaningful work. And there are a whole lot of other costs. In my home state of South Australia we have seen the cost of electricity go up in the last year or two between 25 per
cent and 30 per cent. The cost all adds up for people who are struggling.

The committee was then given evidence of other issues, such as gambling, that further exacerbate the problems. As Senator Hutchins mentioned, very easy credit is another problem for people who are struggling and looking for any means to afford that school excursion or do the repairs needed to the car. It is very easy to fall into the debt trap and get further and further behind. Perhaps the most important area that governments—and I am not just singling out the Commonwealth government but also the state governments—need to work on is children in poverty. This includes providing direct support to families—indeed, before the children are born—to make sure that new families or families to be have the resources that they need as they bring children into the world. It also includes providing support in those early years to ensure proper child care, adequate child care that will not just keep kids amused but give them some opportunities to begin lifelong learning experiences. It also includes providing support to those students in our primary schools who are struggling with basic costs and expenses. I think it is an indictment on all of us that one of the charities now runs a program where we can sponsor Australian students through school. It was for many years available to us if we wished to support children in Third World countries. But we now have programs for us to support Australian students because they simply cannot afford the costs of books, school fees, uniforms and sports equipment et cetera.

When we look at priorities, we see that the needs of children and families is perhaps the most important message that comes out of this report. Programs need to be improved for other specific groups, including students. Trying to survive on youth allowance is, for many students, having a major impact on their studies and sees many of them dropping out. People with disabilities have already been mentioned, as have Indigenous Australians. These specific groups, I believe, have to have as a matter of priority some real government attention as to what the specific problems are and what needs to be done about it. But this country does not have a plan. We do not have even an adequate map of what is happening. People get pushed between various authorities, Centrelink and the charities. Responsibility gets passed between state and federal governments. For many Australians, it is just an ongoing day by day battle to keep their heads above water.

In closing, I emphasise that a mixture of measures need to be taken, starting with the national plan of action, involving the charities as well as the state and federal governments, the education authorities and health authorities. But it certainly needs urgent attention. In going around with the committee to the various hearings, I found it very depressing listening to the stories of those who are struggling to make ends meet in what is the lucky country but, unfortunately, it is not lucky for all of us. I would like to quickly thank the committee, which put so much time and effort into this inquiry.

The ACTING DEPUTY PRESIDENT (Senator Ferguson)—Order! The time for debating the report has expired.

Debate (on motion by Senator Greig) adjourned.

HEALTH LEGISLATION AMENDMENT (MEDICARE) BILL 2003

In Committee

Consideration resumed from 10 March.

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (10.30 a.m.)—When we adjourned last evening, we were having an important debate in the committee stage on an amendment to the Health Legislation
Amendment (Medicare) Bill 2003 that I think was moved by Senator Kerry Nettle.

Senator Nettle—No. We had already voted on that.

Senator IAN CAMPBELL—We had voted on that, had we? I came into the chamber just after that.

The TEMPORARY CHAIRMAN (Senator Ferguson)—We had voted on that. The amendment was negatived, I am informed.

Senator IAN CAMPBELL—I thought it would be useful to make a few remarks while the opposition spokesman came into the chamber, unless Senator Lees or Senator Nettle have questions they want to proceed with straightaway.

Senator LEES (South Australia) (10.31 a.m.)—I, and also on behalf of Senators Harradine, Harris and Murphy, move requests (1) to (3) on sheet 4189:

That the House of Representatives be requested to make the following amendments—

(1) Schedule 1, item 2, page 3 (line 14), omit “$500”, substitute “$300”.
(2) Schedule 1, item 3, page 3 (line 18), omit “$1,000”, substitute “$700”.
(3) Schedule 1, item 5, page 4 (line 7), omit “$500”, substitute “$300”.

Statement pursuant to the order of the Senate of 26 June 2000

The effect of the amendments will be to reduce the amount of the thresholds for the extended medicare safety-net. The methods of calculation of the safety-net for families and for individuals are set out in clauses 10ACA and 10ADA of this bill.

This increase in payments will have the effect of increasing expenditure under a standing appropriation in section 125 of the Health Insurance Act 1973 and the amendments are therefore presented as requests.

Statement by the Clerk of the Senate pursuant to the order of the Senate of 26 June 2000

The Senate has long accepted that an amendment should take the form of a request if it would have the effect of increasing expenditure under a standing appropriation in an Act amended by the bill. This request is therefore in accordance with the precedents of the Senate.

These are simple requests to change the safety net. They change the $500 limit for those who have concession cards—basically for those people who also have tax benefit A—down to $300, and they change the top limit from $1,000 down to $700 for other Australians.

Senator NETTLE (New South Wales) (10.32 a.m.)—I will comment specifically on the safety net, which is being reported as providing benefit to possibly 450,000 people. It is worth pointing out something that I know Senator Lees acknowledged this morning. In terms of how many people should benefit from any Medicare legislation, one option was that we could have, as we now have, 450,000 people benefiting from the safety net. But the option we could have had was 20 million Australians benefiting by increasing bulk-billing for the GP rebate for all Australians, for ensuring the universality of the system. I know that Senator Lees has acknowledged that, both yesterday in the chamber and in the morning. She conceded that the deal that had been brokered created a two-tiered health system, saying that she was concerned that we still do not have bulk-billing for everyone and that Medicare needs another $1 billion.

I know that the other Independent senators are concerned about this as well. We had Senator Murphy in the chamber yesterday saying that he supported universality. If these are the intentions of the Independent senators—to look after universality because people are concerned about there not being in-
increased bulk-billing for all Australians—why are we here at the moment discussing a deal that has already been made? It has given the coalition the opportunity to go to the federal election having had something to say on health and having got legislation through the Senate.

Of course, there are benefits for the Independent senators, and it is worth looking at some of the commentary that is running in the papers today from people watching these issues. In today’s *Daily Telegraph*, Malcolm Farr commented:

The Government yesterday sent a sign to NSW, Victoria and Western Australia: elect an Independent senator.

That was an astute comment in relation to the deal that we are currently discussing. In today’s *Age*, Michelle Gratton commented that the Independent senators have done the government a ‘double favour’ and said:

The payoffs for their individual needs are blatant.

That was another astute comment on what we are dealing with here. It is worth reminding ourselves that the other option was to maintain the universality of the system. For less money than the cost of the amendments that have been put forward to this package, we could have increased the GP rebate across the board. The decision was clearly made by those who were negotiating this deal. It was something that Senator Lees spoke about yesterday in the chamber when we were talking on this issue, saying, ‘We lost universality when the disallowance went through, so this is the path we are continuing down.’ The Greens do not think that we should just sit down and say, ‘We’ve lost universality.’ Let’s give up. Let’s forget this concept of having universal health care.’ But that is the decision that has been taken. This morning on the radio, we heard one of the architects of the Medicare system, John Deeble, saying that his system of universal health care was officially dead. Thank you to the four Independents and the government for ensuring that the system of universal health care is officially dead, in the words of one of the architects of the system.

That is what has been brought into the Senate. That is what we are here debating. That is part of what the amendment here is about. Four Independent senators have decided they are more interested in getting little wins in each of their states, in increasing their capacity for re-election when we get to the next election than in having a universal public health care system. And the government has decided that this is the way that it is going to make future decisions about the planning for public health in this country—that is, pander to the interests of four different states, ensure that a child in New South Wales who is, say, 17 years old does not get the same benefit as children in Tasmania.

That is the decision that has been made by the government and the four Independents, and that is the situation we are faced with.

The Greens do not think that we should just sit down and say, ‘We’ve lost universality—no worries about that. Let’s just continue on down the path that the government has.’ This is handing the government a victory on this issue—getting their Medicare legislation through the Senate. And for what? Not for the future of public health care in this country; that is for sure. There are a couple of little wins in the states. I just do not think it is worth it. But that is the decision that has been made, that is where we are at and that is what part of these requests for amendment is about.

Senator LEES (South Australia) (10.36 a.m.)—Obviously, I have to disagree most strongly with most of what Senator Nettle has said. Again, she is confusing the issue of the $5 and the $7.50, which all four of us have said we would have preferred to have
stretched further. This government was simply not going to. That went through last year. Senators, you are well and truly aware of that. The $5 for some and not for others was passed in this chamber with only two senators dissenting in December last year. The issue we are dealing with today is that of the two new safety nets. The safety net the Labor Party put into Medicare when they designed it is out of date. It does not work for most people who have large medical expenses. They do not reach eligibility for it because you can count only the difference between what you get back from Medicare and the schedule fee. If the schedule fee is $100 and you get $15 back, that is fine. But, if the schedule fee is $100 and you are charged $200, you cannot count at the moment that additional $100. That is why we need new safety nets.

The four of us have managed to drag down the safety net from $400 to $300, and fix it at $300, which means that those people who have large out-of-pocket expenses—and some 12 million family units are in the group eligible for the $300 safety net—can get 80 per cent of them back. I say to Senator Nettle: even if last year this chamber had been able to get the government to offer across the board a $5 incentive for every bulk-billing service, we would still need the safety net because only 10 per cent of the safety net covers additional GP charges. The rest of it goes to addressing the cost of attending specialists, and there is nothing before us from this government to encourage bulk-billing from specialists or to even help people cope with what specialists charge by way of extra fees. The safety net is primarily not for GP out-of-pocket expenses but to help people with the huge amount they pay when, for example, they need radiology, surgery, an anaesthetist et cetera. The issue we are dealing with today is whether we stick with the old safety net in Medicare—which is not adequate—or put in two new safety nets that give Australian families greater security and at least the opportunity of getting 80 per cent of additional costs back if they reach the threshold.

**Senator CHRIS EVANS** (Western Australia) (10.39 a.m.)—I indicate on behalf of the opposition that we will be opposing Senator Lees’ requests for amendment. I want to make a few general observations on that and on the debate more generally. I am a political pragmatist. I understand the way the Senate works. I am not one generally to accuse people of dirty deals et cetera when numbers are gathered around a particular proposition. Politicians, members of the Senate, make a decision to vote one way or another based on their own political judgment. On this occasion, the four Independent senators have decided to join with the government to put a package to the Senate. That is their right. I leave aside the issue that does get to me a little, which is that two of them were elected not actually as Independents but to represent either the Australian Labor Party or the Democrats. I have no concern for Senator Harradine’s or Senator Harris’s positions—they were elected as either an Independent or for One Nation, and they represent their views in this place. That is purely an aside which sticks in my craw a bit.

My great concern, and Labor’s great concern, is that this fundamentally undermines the universality of Medicare. I do not think that is an easy proposition to argue to the Australian public. It is a complex concept, and I think it will be understood properly only in limited circles by people concerned with the health debate. What people do understand is that they cannot get access to bulk-billing doctors anymore, and what they need to understand about this package is that that is not going to improve. The government made it clear that it does not expect, and has not planned on, any rise in the number of
bulk-billing consultations as a result of the package. The government is about changing the fundamental structure of Medicare from a universal health system for all Australians to a welfare safety net approach where it will provide services to those most in need through the public system but will promote the private system as its primary health care response for the majority of Australians. I have great difficulty with that.

This package fundamentally undermines the universality of Medicare—that is, the universal public health system we have established in this country that is the envy of most countries in the world. It provides basic fairness and equity of access to health care for Australians. My concern with this package is not with its detail but with that fundamental attack, and that is Labor’s major concern. Senator Lees seeks to talk about the existing safety net and about some of the arguments on the margins. I understand that. She has to defend the position she has negotiated. We said at the start we were moving to a two-tiered system; we are moving to a multi-tiered system, where we have a range of safety net arrangements and special deals. We are now in a position where Medicare works differently in Tasmania from the rest of Australia. This is supposed to be a universal health system, but it is a system which is predicated not on health need but on location, location, location. It is nonsense to say that we are preserving the universality of Medicare by endorsing this package. It is just not right. Those of us who think universality is a fundamental tenet of Medicare will oppose the package.

I understand that the Independents are faced with a political issue of the government wanting to get its bill through. There is no doubt the government has changed its position markedly. You have to give the Independents their dues; they have negotiated over the last six months or so from a $900-million package to a $2.8-billion package. I suspect that is a reflection not just of the Independents’ negotiating skills but of the political position the government finds itself in, of the pressure it is under not only in health care but in its general political position. The government’s answer is to throw some more money at the problem, but fundamentally its position remains the same. It does not support a universal health care system like Medicare. It never has. Despite the rhetoric, every measure the government takes—be it in private health insurance or in this package—fundamentally moves towards undermining that system. We have been having that ideological debate with the government for 20 years. It will go on. I think in this debate we are the pragmatists and the government is the ideologue. Certainly the Prime Minister is the ideologue in this debate. Fundamentally, this package undermines the universality of Medicare and we will be opposing it.

There are a range of other issues that cause concern. I have no trouble with Independent senators negotiating positions, but this sort of Americanisation of Australian politics, with special deals for states based on who you are negotiating with, is a retrograde step. I know we are supposed to be the states house, but special deals for Queensland university places or for Tasmanian children is not a helpful development in Australian politics. I have always argued that we are not the states house and that we are here to represent those people who elected us. I have always thought we ought to, and have encouraged us to, look at national responses and at what is in the nation’s best interest and not operate purely on a narrow state basis. The fact that this package reeks of special deals, political fixes and rewards for those negotiating so they can go home and sell the package undermines confidence in the Senate and in democracy. It is an Americanisa-
tion of the political process that I do not think is a good thing and, although I understand the political realities, I do not support it.

I think this is a political fix. I have no difficulty with people negotiating such results—that is the way this place works. But in the end Senator Lees and Senator Murphy here yesterday effectively said, ‘We accept that this is going to undermine the universality of Medicare. We accept that there are valid criticisms of the package, but we have decided to make the deal anyway—oh, and by the way there is an election coming up and whoever wins the election can fix it if they’re not happy.’ In other words, they were turning to the Labor Party and saying, ‘You’ll get the chance to fix it if you are elected.’ I do not think that is an excuse. They have to take responsibility for their actions today, and what they have negotiated is not an appropriate response. I do not think they have done enough to protect the key elements of Medicare and the services it provides for all Australians. We ought to be talking about clinical need, we ought to be talking about access to health services not being prejudiced by lack of income and we ought not to be focusing particularly on where any Australian lives with regard to what sort of access or services they get. We have always argued they ought to get equal access.

For the range of reasons I have expressed Labor remain opposed to this package. There are some improvements in the package—there is more money going into health, which is good thing, and there is some access to allied services, which is a good thing—but these improvements are very limited and do not address the fundamental criticisms of the structure of the package, which will eventually undermine Medicare as a universal health system in this country. We reject the approach, we reject the requests sponsored by Senator Lees and we will be voting against them.

**Senator IAN CAMPBELL** (Western Australia—Minister for Local Government, Territories and Roads) (10.48 a.m.)—I will make a quick response to some of the contributions made to date. Firstly, both the MBS and the PBS already have qualities—for example, the PBS safety net—which are two-tiered. I think that was agreed on and voted for by everybody in this place. The concessional payments threshold is currently $196 and for all other patients it is $720. So this parliament already supports a two-tiered access to benefits within the medical schemes. Already in the Medicare scheme developed by Labor and introduced by Neil Blewett in 1984 there are two levels of support: people who are bulk-billed and people who are not bulk-billed. But with these thresholds, you have universal access to it. This will be undeniably of great assistance to hundreds of thousands of families.

We expect that between 450,000 and 490,000 families—which I think was mentioned at the press conference yesterday—every year will get access to new health care because of these proposals. That is a fundamental support of publicly funded health care. Contrary to Labor’s claims that we are undermining it, we are building it up. You cannot say you are undermining the Medicare scheme when you spend an extra $2.9 billion on it—you are supporting it. That irks Labor. It is a far more informed and intelligent policy than theirs. You only need to look at Labor’s on-the-run policy response to areas of low bulk-billing rates. I think their idea was to have Medicare bulk-billing hit squads.

Senator Nettle raises the issue of how people may have differential access to the bulk-billing of services across Australia. You have that at the moment. In Tasmania the
bulk-billing rate across the state is 51.3 per cent and in New South Wales it is 76.3 per cent. We are applying the extra $7.50 rebate in non-metropolitan areas across New South Wales, so people in New South Wales will get a benefit from that. I presume the Greens will support Labor’s policy—it will be interesting to see. They support Labor’s policy on getting rid of the 30 per cent private health care rebate.

Senator Nettle made two points that need to be responded to. One is that Labor will be providing a special level of service. I guess it will be targeted at marginal seats or whatever; where the Medicare hit squads will go will be announced during the elections. If it is based on the Ros Kelly sports rorts whiteboard strategic process, the Medicare hit squads will probably go to the marginal seats. I presume the people who live near those Medicare hit squads will, under Labor’s plan, get better access to the benefits of Medicare than the people who do not. Through its policy of hit-and-run bulk-billing Labor will create a two-tiered system: people who live near the hit squads will get better access and people who live away from them will get worse access.

Labor’s argument is that this is getting rid of universality. It is not; it is actually undermining universality, making it stronger, putting in place new safety nets. Labor, if you accept its argument, has effectively done the same thing in a different way—in a ham-fisted way I have to say, not a strategic way, unless it just wants to play cheap politics. If you accept the journalist’s point of view that Senator Nettle read out this morning about electing Independent senators in WA or other states, one thing is for sure. If the voters in Western Australia vote for a Green senator they will assure the passage of Labor’s legislation—that is, if Labor gets up in the lower house, and let us hope it does not, for the sake of the health care of Australians. If Labor did happen to get a majority in the House of Representatives and were able to form a government over there, and Western Australians, for example, voted Green in the Senate and sent over another Green senator, they would vote for Labor’s legislation to get rid of the 30 per cent private health care rebate. If you want to guarantee that the 30 per cent rebate is not universally available, then you will vote Green in Western Australia. We have that on the record now. It is a point that needs to be made.

A strong Medicare with good, new safety nets helps people, particularly those most in need. Who are those people? They are people on low incomes who cannot get access to physios or podiatrists or dieticians now because they cannot afford them. This package and the very requests we are negotiating today assist those people through the allied health care measures and the cutting in of the out-of-pocket expenses threshold safety nets. The package helps people with chronic illnesses and complex illnesses and people on low incomes.

Senator Nettle’s approach is, ‘We do not want to help those people.’ She is actually saying, ‘We do not want to help them. Let them suffer. But let’s go to areas where there are already high bulk-billing rates, say in New South Wales’—because that is the state she represents—‘and give them another $5.’ What a brilliant policy! Senator McLucas was the chairperson of the committee that handed down the multiparty report. In relation to the policy that Senator Nettle now supports, that report on page 20 of the introduction or summary states:

The committee is not convinced of the need to substantially increase the level of the MBS rebate and has reservations as to whether doing so would of itself improve levels of bulk-billing. It is clear that other incentives are also required.

The agreement of the majority of senators in this place is that her policy would cost a lot
of money and probably would not work. We have accepted that to the extent that we believe that other incentives are clearly required, and that is what this package delivers.

Senator CHERRY (Queensland) (10.56 a.m.)—I want to take issue with something Senator Nettle said. She was quoting Malcolm Farr in this morning’s *Daily Telegraph*, who said that if you elect an Independent senator you are going to do really well based on this deal. I have to commend Senator Harradine on the exceptionally good deal that Tasmania has got, but I disagree with the view that Queensland is getting a very good deal out of this package, because it is not.

The minister’s press release makes it clear that the new bulk-billing incentive of $7.50 per consultation will be available for RRMA 3 to 7. That excludes towns with a population of greater than 100,000 people. In my state of Queensland, that excludes Brisbane, the Gold Coast, the Sunshine Coast and Townsville. I have just come from a radio interview with Peter Lindsay, the federal member for Herbert. Apparently, he is marching straight into Brendan Nelson’s office as we speak to ask why Townsville is not included in the bulk-billing incentive scheme. That is very interesting because Townsville’s bulk-billing rate in 2003 for the federal seat of Herbert was 61 per cent. The bulk-billing rate for Cairns was 75.9 per cent. The bulk-billing rate for Mackay was 63.6 per cent. We now have the anomaly that Townsville, which has a lower bulk-billing rate than Cairns and Mackay, is going to get a lower incentive for its doctors to bulk-bill. What is going to happen in Townsville? Townsville’s bulk-billing rate is going to fall further.

In the metropolitan areas of Brisbane, in the southern part of Queensland, we have seen the biggest fall in bulk-billing rates for any part of Australia. Let me read through some of them—particularly for the benefit of the Liberal members in the other chamber—because they are all marginal Liberal seats. In Dickson the bulk-billing rate has fallen by 30 per cent in the last three years and now sits at 48 per cent. In Petrie it has fallen by 30 per cent and now sits at 57 per cent. In Griffith it has fallen by 28 per cent. In Fisher, up on the Sunshine Coast, it has fallen by 27 per cent. In Fairfax, also up on the Sunshine Coast, it is down 22 per cent. In Ryan, the electorate where I live, it is down by 25 per cent to 49 per cent.

This package and the concessions negotiated overnight do nothing for metropolitan Brisbane. They do nothing for the Sunshine Coast. It might surprise senators to know that the Sunshine Coast is a socioeconomically poor part of Queensland, because so many lower income people and unemployed people live there. This package and the concessions do nothing for that area, which has had one of the biggest falls in bulk-billing rates in Australia. The package does nothing for Newcastle—which, whilst not in my state, I visit regularly—where there have been some of the biggest falls in bulk-billing rates in Australia. In the electorate of Shortland the bulk-billing rate has fallen from 76 per cent to 51 per cent in the last three years—a fall of 24.5 per cent. But these areas are excluded from the extra bulk-billing concession. This package provides a concession to a lot of places that do not need it.

Senator Campbell talked about the bulk-billing rate in regional Western Australia. He might be interested to know that in 2003 the bulk-billing rate in the seat of Pearce was around 70 per cent and in Kalgoorlie it was 61.3 per cent. However, the bulk-billing rate in Canning, which is in a metropolitan area, was 54.2 per cent. Now, 54.2 per cent is a lot lower than 70 per cent or 61.3 per cent; but Canning’s residents are not getting an extra
concession out of this deal—they are screwed. In my state, Brisbane, the Sunshine Coast, the Gold Coast and Townsville—the poor, struggling federal member who represents Townsville is likely to become the ex-federal member soon—are screwed as well. I disagree strongly with Senator Nettle’s view that Queensland has done well out of this. We have had the biggest fall in bulk-billing rates of any state in Australia over the last three years, yet we are being comprehensively screwed in this package.

There is not a single new concession in this package, negotiated overnight, to actually fix the bulk-billing rate in Queensland. All we will have to rely on is the $5 in the original MedicarePlus package which was to go to the bulk-billing of children, pensioners and concession card holders. That means doctors will simply stop bulk-billing other patients. The maximum bulk-billing rate in Queensland—assuming all of those patients are bulk-billed—is probably about 60 per cent, which is lower than the 67 per cent bulk-billing rate that we have now. That really worries me because there are an awful lot of families in my home town of Brisbane who are not going to be able to afford to pay the gap fees. This is rapidly becoming more prevalent across the Brisbane metropolitan area. It is quite clear that the concessions negotiated overnight are not going to do enough to bring those bulk-billing rates back up.

I am very disappointed in this deal. There were apparently two packages in the health minister’s in-tray last week: there was one from the Democrats and there was one from the Independents. The Democrats’ package, replicating an element of Labor Party policy, would have provided a bulk-billing incentive to every doctor who reached an agreed target—we were looking at a target of around the 75 per cent or 80 per cent mark. It would have ensured that those doctors doing the right thing, regardless of where they were, actually had an incentive to bulk-bill. The government would have been saying to doctors: ‘It’s not just the worthy poor that are worthy of a concession. If you do the right thing and are universal in your bulk-billing approach, then we’ll look after you.’ That would have provided a much stronger floor to the bulk-billing rates in Australia than only providing extra incentives to bulk-bill concession card holders, under 16-year-olds and pensioners. It certainly would have provided a much stronger floor in the areas where the bulk-billing concessions are needed rather than simply giving it to country areas. I will be interested to see how Senator Harris defends carving out the Gold Coast, the Sunshine Coast, Townsville and Brisbane from the bulk-billing concession he has negotiated. The alternative package in the health minister’s in-tray would not have carved out those areas.

I want to deal with the anomaly of Hobart. I commend Senator Harradine on his negotiation skills, because the bulk-billing rates in Hobart are 51.5 per cent for Franklin and 47.4 per cent for Denison. It is the only one of the RRMA 2 towns in Australia included in the bulk-billing concession package. But if you go to a town we all know very well, a town called Canberra, you find that the bulk-billing rate is 35 per cent in Bob McMullan’s Fraser electorate. Tony Abbott argues that Hobart needs an incentive because its bulk-billing rates are so low, so why doesn’t that apply to Canberra as well? Importantly, why doesn’t it apply to Newcastle, where the bulk-billing rates in Shortland, Hunter and Paterson are similar to the bulk-billing rates in Hobart? Why doesn’t it apply to those areas in Brisbane, such as the electorate of Dixon—based on the Pine River shire on the northern side of Brisbane—which have a bulk-billing rate of less than 50 per cent? Why doesn’t it apply to those areas of subur-
ban Adelaide, such as the federal electorates of Boothby, Mayo and Sturt, which have bulk-billing rates similar to or lower than those of Hobart? I am disappointed in Senator Lees. She usually does her homework, but in this particular case she has forgotten to do her homework on her own backyard of suburban Adelaide.

These are the sorts of issues that the chamber needs to tease out in this debate. The Hobart anomaly is going to be something that we will all have to look at because the justification given by the health minister for the Hobart anomaly does not stack up when you look at the bulk-billing rates. This debate should be about the universality of Medicare, as Senator Evans and the Democrats have always said in this debate; it should be about making sure that Medicare provides a universal safety net for all Australians who need access to health care. It should not be about dividing the population into the worthy poor and the rest. Yet this package—the bulk-billing incentives which are being negotiated and the two-tier safety net which we now debating—actually does that. If we had a decent safety net, if we had a decent incentive program on bulk-billing rates, the safety net would not be as necessary as it is. That is the argument that has been put by the public health alliance around Australia for a very long time. But in this package the safety net will become more and more necessary because bulk-billing rates will continue to fall. The 30 per cent fall in suburban Brisbane will accelerate over the next year or two because there is not enough in this package to encourage doctors in Brisbane to bulk-bill—in fact, there is no extra incentive to bulk-bill. As a result, we will put more pressure on the safety net. The two-tier approach will undermine the universality of Medicare, which has been a cornerstone of our health policy in this country for 20 years.

I am very disappointed with this deal. I thought that, given the Senate committee report and all the evidence that was available to the rest of the crossbench, the government and the Independents would understand these arguments. Unfortunately, with the exception of Senator Harradine, who has done very well for Tasmania, we have a package which leaves metropolitan Australia and the large towns of the Sunshine Coast, the Gold Coast, Townsville, Wollongong, Newcastle, Canberra and Geelong comprehensively screwed. It is very unfortunate and very disappointing. This package is going to put back Medicare and it will probably be the most retrogressive step in Medicare’s 20-year history.

Senator HARRIS (Queensland) (11.06 a.m.)—I am going to use a cliche in responding to the requests for amendment to the Health Legislation Amendment (Medicare) Bill 2003 that have been moved by me, Senator Lees, Senator Murphy and Senator Harradine. This cliche is ‘comprehensively screwed’. If we want to have a look at what is being comprehensively screwed, then we should look at the figures. This is the absolute classic example of what you can do with figures.

Let us have a look at the proposal being put forward by the Labor Party, the Democrats and the Greens—that is, a $5 payment right across the board. Let us have a close look at the outcome of that. Senator Cherry has given us some examples of bulk-billing rates in Brisbane, the Gold Coast and Townsville. But he fails to admit and disclose to the chamber that in those areas there are some extremely high-volume bulk-billing clinics. When the figures from those high-usage clinics are put into state averages, you arrive at the figures that Senator Cherry has put forward. If you look at the figures provided by the department, you will see that, if the $5 payment were made right across the
board, more than 80 per cent of the funds would go to those high-volume bulk-billing clinics that already have rates above 80 per cent. But Senator Cherry does not tell you that. He gives you bulk-billing figures that are brought down by state averages.

What has been proposed by the government in conjunction with One Nation, Senator Harradine, Senator Lees and Senator Murphy is a lifting of the bulk-billing rates to 70-plus per cent not just in Queensland but in every state. So my comment about comprehensively screwing figures is very apt. When you want to you can get them to provide the answer you want. That leads me to the next point that we need to raise. There has been some very skilful use of answers given in the chamber last night. I quote directly from the Hansard. Senator Allison asked the minister:

Is it possible for me to ask at the same time about the inflationary—

I emphasise the word ‘inflationary’—assumptions that were built in for the $300 and $700 thresholds for GPs and specialists?

The answer provided by Senator Ian Campbell was:

The first half of the question related to inflationary assumptions. The assumptions that were made, broadly, were that bulk-billing rates will be maintained and that the gap will be maintained in broad and general terms.

I do not want to put words in Senator Ian Campbell’s mouth but he is clearly saying that, when the department assessed the inflationary tendency of the increase in bulk-billing, the government was conservative in its assumptions and did not add into that increases in bulk-billing. The answer from Senator Ian Campbell was specifically to the inflationary expectation in relation to the $300 and $700 levels. I now move to Senator Nettle’s question to the minister:

I ask the minister about his previous answer to Senator Allison. He said that the assumption is that bulk-billing will not increase. Is that the assumption for the government’s model of the future of public health in this country—Medicare and bulk-billing? Are we basing it on an assumption that there will be no increase in bulk-billing rates?

Here we have a very skilful use of an answer. The minister gave the department’s assessment of inflationary tendencies with the $300 and $700 levels, and it is being misused to create an assumption that the government does not support bulk-billing. Nothing could be further from the truth. You will see from the Hansard that the answer was given in relation to the inflationary assumptions. But Senator Nettle’s question—and I will do a little speculation here—in all probability is intended to be used in an election period. And there we have the answer.

The requests that we have put forward are to reduce the government’s original position on the $500 and $1,000 thresholds. We looked at the additional people who would benefit from that and, by the year 2007, that will be as high as 490,000. As was said here last evening, the moment this bill is given royal assent, 33,000 people who have already reached the $300 safety net will immediately be reimbursed 80 per cent of their out-of-pocket expenses.

For a person or a family who has had out-of-pocket expenses in the vicinity of $1,000, they are left with $700 out-of-pocket expenses after the $300 threshold is removed. The moment this bill is given royal assent, they will receive a rebate of $560. This is what the government and the senators on the crossbenches who support this legislation have taken into consideration. We are here to help people in need. We are not here to see 80 per cent of the additional funds go into bulk-billing when that will not increase those levels across the states.
Senator McLUCAS (Queensland) (11.14 a.m.)—I would like to speak broadly about what has occurred in the past 24 hours and to express my disappointment at the deal that has been struck between Independent senators, some of whom have very publicly defended Medicare in the past. What we have now is a system that is not Medicare. Medicare is dead, according to Professor Deeble today, and it is on the heads of those four people who have said that we can give up the thing that has made Australia’s health system internationally recognised as the best health system in the world.

We have seen Medicare slowly dismantled over the last eight years. It has been slowly pulled away because the Prime Minister could not say what he thought—that Medicare is not a fair system. That is what he thinks. He does not think that Medicare is a system that should be supported. So, instead of doing what he wanted to do in the 1980s—instead of saying openly and plainly to the Australian people that he was going to get rid of Medicare—he has done it in this underhand way. He has pulled apart the health care system that Australians trust and believe in. Yesterday was the death knell for Medicare. Yesterday we saw the end of a universal health insurance system that treated people according to their health needs and not according to what they had in their pockets.

Medicare was simple and fair. Whether you lived in Burketown or in Bankstown, you were treated according to your health needs. Now we have a system whereby a person who makes a decision to go the doctor has to understand what the EPC means, what RRMA means and whether their doctor lives in a RRMA 2 or a RRMA 3 zone. These are not issues that people want to make decisions about when they go to the doctor. They do not know whether they are on the FTBA or whether they are on a $300 threshold or a $700 threshold. If they have a sick kid, they want to go to the doctor and they want a bulk-billing doctor. Those days are gone—they are finished—and it is on the heads of those four people who have said they will support the Prime Minister’s dismantling of Medicare.

We are now faced with a complex and confusing health care system, when we had a system that was internationally recognised as the best. What have we got for it in Queensland? That is a very interesting question. A deal has been done in Queensland such that James Cook University will get an extra 12 medical student places. As a North Queenslander, and knowing the quality of graduates from James Cook University, of course I accept that—but let us look at the detail. Let us be really clear about what Senator Harris has got for North Queensland. He has given up Medicare, apparently for 12 medical school places. I will ask some questions about those 12 places later. I certainly hope that we do have the data on them, because I do not know whether it is 12 places or two. If we have given up Medicare for two medical places at James Cook University, it is not a really good deal. We have not done very well in Queensland.

Let us look at the other states. Why is it that the whole of Tasmania can get the bulk-billing incentive? What is the difference between Tasmanians and the people who live in the ACT, where the level of bulk-billing is in fact lower? Why has Tasmania been given this special incentive? Why don’t we look at it a little more equitably? Senator Harradine has said that it has nothing to do with the fact that he comes from Tasmania. I do not think so and neither did Tony Abbott on AM radio this morning. On AM this morning he said, ‘That is the democratic process.’ What he meant was: ‘Of course Senator Harradine and Senator Murphy got bulk-billing for eve-
everyone in Tasmania, because that is the democratic process. They stood up for their states."

_Senator Harradine interjecting—_

_Senator McLUCAS_—That is what he said, Senator Harradine. Listen to it. What he means is that you did the deal for Tasmania, and we missed out in Queensland. That is not fair. Medicare is a fair system. That fairness has been undermined by a decision that RRMA 3 to 7 will apply everywhere in Tasmania. Where is the justice in that? Where is the fairness in the decision that a RRMA 1 or 2 in Tasmania gets included in the RRMA 3 to 7? We want a fair and equitable system in this country, and now we do not have it.

Let us look at what will happen to people accessing allied health services through the EPC program. We have had an analysis of EPC. EPC, according to the department and to the medical practitioners, is not a good system. Admittedly that is because there was not a payment to those allied health workers, but that system has been found to be ineffective. There is a whole range of conditions by which a general practice can become an EPC compliant practice. Does the woman with a sick child know that? No, she does not and she should not need to. If she has a sick child, she does not want to work out whether or not her doctor’s surgery has EPC approval. How would she know?

Let us go to the doctors whom we recognise—and whom Senator Harris has talked so passionately about—are working so hard to deliver the services that our community wants. What sort of paperwork will they now have to go through to access these sorts of services for their clients? They do not like doing it, and now they have more red tape and more work to do. We heard over and over during the Medicare inquiry that doctors do not want any more red tape. What are we doing to them now? We are telling them they have more work to do—more administration. Doctors want to see people. Doctors are trained to make people better, not to fill in forms. But now we have more forms for them, thank you very much, through the EPC program.

There is a range of other questions that need to be answered during this process, and I certainly hope we get to them. Let us go to MediConnect. Why is it that Tasmania—that place again—and South Australia have moved up the line? We are told that it is because they were close. I would like to see some analysis of that. Why is it that doctors who operate in states other than South Australia, the home of Senator Lees, and Tasmania, the home of Senator Harradine and Senator Murphy, miss out? That is not fair. Why should we miss out on a program that is regarded as being beneficial to our community? That is simply not fair. According to Mr Abbott this morning, it is part of the democratic process. This is not a fair package. This is the dismantling of Medicare. This is John Howard getting his own way, and the people of Australia will be very disappointed in him. I will make some contributions and ask further questions later.

_Senator IAN CAMPBELL_ (Western Australia—Minister for Local Government, Territories and Roads) (11:22 a.m.)—Senator McLucas asked about places at James Cook Medical School. The existing placement was for an extra 10 for 2004. The announcements made yesterday mean that there will be an extra 12 places at James Cook University for every year, including 2005.

_Senator McLUCAS_ (Queensland) (11:23 a.m.)—We get two doctors for Medicare. We get two doctors, Senator Harris, for Medicare.

_Senator Ian Campbell_—No, that is not what I said. You get 12 plus 12 plus 12.
Senator McLUCAS—No, we were going to get another 10.

Senator Ian Campbell—You got 10.

Senator McLUCAS—Yes, we got 10.

Senator Ian Campbell—You got another 12.

Senator McLUCAS—No, we are getting an extra two. I think that is exactly what is going to happen.

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (11.23 a.m.)—For 2004, James Cook was given 10; for 2005 there was none. Now for 2005 there will be 12, for 2006 there will be 12 and for 2007 there will be an extra 12. So you have dozens of extra doctors for North Queensland going through James Cook—dozens, not two.

Senator McLUCAS (Queensland) (11.23 a.m.)—Can you tell me what happened to the 10 places that were going to be placed at James Cook from Griffith University?

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (11.24 a.m.)—I do not know when James Cook started but the University of Western Australia went back on the Monday before last. I do not know what date orientation day was at James Cook but it might have been about the same time. Those 10 young Australians are now studying at James Cook. That is where they are—as a result of this government’s initiative.

Senator McLUCAS (Queensland) (11.24 a.m.)—Can you answer the question: where are the 10 places that were going to be allocated from Griffith University to James Cook University? I understand they are not being taken up.

Senator HARRIS (Queensland) (11.24 a.m.)—I can answer that for you. Yesterday I spoke to the Vice-Chancellor of James Cook University. They were unable to facilitate those 10 places in 2004. They have been returned to Griffith University and those positions will be filled there. That is purely a function of the university not being able to accommodate them in 2004. I made contact with the vice-chancellor to ensure that in 2005, 2006 and 2007 they would be ready for that intake. There was no impediment from the government. The government tried to assist in providing those initial 10 places. The university themselves could not accommodate them. It is not the government taking them away; it is the university saying that they will not be prepared in time to take the intake. The places were transferred back to Griffith University. James Cook University said yesterday that they are absolutely overjoyed to be able to take the 12 places in 2005, 2006 and 2007 and can accommodate them.

Senator McLUCAS (Queensland) (11.26 a.m.)—I just want it on the record: two places for Medicare.

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (11.26 a.m.)—I would like to correct the record. Senator Harris is correct: those places were returned to Griffith. They were offered to James Cook but they could not make use of them. What needs to be put on the record, because Senator McLucas has now three times tried to distort the facts, is that as a result of the negotiations there are now 12 more medical school places in Australia than would have existed prior to yesterday’s announcement. There are 12 new places—not taking them from one university to another and back again, as did occur and I correct the record immediately—and they are for James Cook. I join Senator Harris in hoping that James Cook can attract 12 people who can start there next year.
Senator ALLISON (Victoria) (11.27 a.m.)—We have now had not quite 24 hours to reflect on this arrangement—this deal—and the more we know about it the more we realise what a mess we are getting into. Already it has been demonstrated comprehensively how unfair this package is on some regions and on some individuals. It does not, to say the least, hang together as a comprehensive approach to solving some of the pressing problems that we have in Medicare in this country.

Senator Harradine and Senator Lees have argued that something is better than nothing. We do not agree. There was another proposal on the table—our proposal. It did not cost any more but it had much more integrity to it because a lot of the things that are now being raised as problems had been thought through at that time. I am disappointed. I am not disappointed that it is someone else’s deal and not ours. That does not matter. At the end of the day it is the outcome that is important. I think what we have here is a poorer outcome than we might have had otherwise. Our proposal, I would argue, would have strengthened Medicare. Whilst $300 for a safety net is certainly going to make the relief of out-of-pocket costs more available to people on low incomes, it sets up so many problems that it is not worth doing. In our view there should have been a uniform safety net and it should have been about $500.

These amendments will make primary health care more affordable, but that goes nowhere toward solving the biggest problem which we came to understand through the important Senate processes—and I am referring to the two inquiries that were conducted into this bill—namely, the importance of specialist fees in all of this. Big out-of-pocket expenses come principally from specialists, not from GPs. Most of the people who will reach that safety net will be there because of the very high costs of specialists. The increase in bulk-billing of $7.50 for some people in some areas will not assist in this respect. As I understand it—perhaps the minister can clarify this—that $7.50 will not go to specialists; it is just for GPs. In any case, $7.50 would probably be laughed at by most specialists, who now exceed the schedule fee and the rebate for their services in many cases by hundreds of dollars. So it is problematic from that point of view. It has not addressed the most pressing problem here, which is that of specialists.

The government admitted yesterday that, as a result of the safety net changes to the $300 and the $700, one in five patients will face a doubling of the fees that they have to pay for specialists by 2007. That is a very large increase. There is nothing by way of either a message through these amendments to the bill or anything the government has said that would discourage that doubling. I think we can expect to see that doubling. It sounds like the government expects it to happen, and most thinking people would reckon it likely in any case. There is nothing in here to discourage that inflationary impact. We are not just talking about inflation in the normal sense of health costs; we are talking about the encouragement for specialists to increase their fees.

That will make it worse for GPs. We are in this position of GPs opting out of bulk-billing because of how they see themselves in relation to specialists. The relative values study that was quoted endlessly in this chamber throughout the process was about GPs comparing themselves with specialists and saying, ‘Our income is so much lower than theirs, and yet we do extra training—we do the same kind of training, in effect, as specialists. How is it that we are missing out so much?’ There is nothing in this package that, as I said, discourages that doubling of fees for 20 per cent of those people who will be caught up by the safety net, so a fifth of
those are going to see a doubling. There is absolutely no question that that is going to be inflationary, and we may see that spreading over to GPs, who will continue to be grumpy about the fact that they have missed out.

Our amendments will go to a review of the government’s strategies—if you can call them that. I do not think it is a strategy; we just have a mess. We have an ad hoc bundle of approaches to these problems. I think that down the track, in three years time, we will see that costs have blown out significantly for not just specialists—we already know that they will go up—but for GPs as well. So, as I said earlier, we felt that a $500 across-the-board safety net would have been preferable to this two-tier arrangement. Obviously, people who have costs of $300 and $400 would miss out—there is no question about that—but at least it would maintain the universality of Medicare and would not differentiate between income groups or any other approach.

What we have here is a welfare approach, as many people have said in this chamber already. We do not want to go down that welfare path. We value the universality of Medicare. That is an overused word, but it does mean that, regardless of your income, the amount of dollars that flow through to you from Medicare will be related to your need—that is, not need in terms of your income but need in terms of your health. So the sicker you are the more you need the services of GPs and specialists and the more Medicare dollars flow to you. That is right and proper, and it is what Australians value.

I think that the eligibility criteria that have also been canvassed throughout our inquiries have been very poorly thought out. There have been a lot of criticisms of the tax A category. We are going to get the anomalies that could have been avoided—very simply avoided, and at the same cost. We have here a two-tiered approach. This is not just rhetoric. We are not just saying that two-tiered is bad because it is bad; it is bad because it is often targeting the wrong people.

The biggest flaw in what has been negotiated is that it will not encourage bulk-billing of patients. The government may say, ‘Medicare is not just about bulk-billing.’ I agree; it is not just about bulk-billing. But bulk-billing has become a signal. It is a measure of the success of our system in delivering affordable primary health care. The other signal is the schedule fee. That used to be everything in Medicare. The schedule fee was the compact between government and doctors, so it had integrity as a reasonable fee. What has happened in recent years is that that compact—that regard for the schedule fee—has broken down. I would agree: I think that we could have quite low bulk-billing rates if doctors kept to the schedule fee, because then patients would be out of pocket by only 15 per cent—the difference between the rebate and the schedule fee. I think our system would be much better off if we focused on this question of the schedule fee and how to bring it back in terms of compliance with the figure.

But, as we heard through the inquiry process, pretty much everyone has given up on the schedule fee. We just shrug and say, ‘Expectations, costs and so forth have now exceeded the schedule fee, so we’ll dismiss that. It is no longer part of our system. We don’t need to worry about it.’ Putting in a safety net at all reinforces that notion. So, whilst I join with others in saying that bulk-billing is not everything, the schedule fee is everything. You do not have affordability if you do not have adherence to the schedule fee. We have seen specialists in particular ignore the schedule fee—and we have seen
no attempt on the government’s part to retrieve it.

The $7.50 measure will not work without a target. The importance in all of this is seeing a movement to stem the decline in bulk-billing and hopefully lift it. The $7.50 rebate in country areas is not enough. I agree with the principle, the concept at least, of taking money out into areas where it is in short supply. We argued very strongly to fix the black holes in Medicare. On average, somebody in a remote area might receive $80 a year from Medicare, whereas someone in a well-off metropolitan area can receive $200 a year. Fixing those anomalies—those black holes—is important, but I am not sure that the $7.50 will do it, Senator Harradine.

GPs in country areas, the more remote areas in particular, have high salaries—much higher than those doctors who work in the cities. Are they seriously going to say that for $7.50 they will increase their bulk-billing rates? We know attitudes are different in the bush. There is a much different approach to bulk-billing there than in the city. My colleague Senator Cherry has drawn upon the very serious anomaly of using RRMA as a measure for deciding who gets the $7.50 and who does not. We do not even have targets in this for bulk-billing all concession card holders and all children. You get your $7.50 for those who qualify. It seems to me that this is not going to deliver any change in the way that doctors do their business.

One of the most serious and disappointing problems with this package is what might have been a very important step in the right direction for allied health. The Democrats succeeded, I think it is fair to say, in persuading the government not to go down the path of giving doctors a bucket of money under the extended care program and asking them to contract out allied health, as they saw fit, through case management and so on. That was unlikely to deliver much in the way of improved access to allied health. Out of 97 million GP consultations only 150,000 have been involved in case management and, by and large, these have not involved allied health services. There is no obligation to make sure the money goes to clinical, professional allied health services. It could well be siphoned off to other doctors or the nurses in the practice. It is the most disappointing aspect because we could have had a system where there would be GP referrals. We could have contained it. We could have still had the GP as the gatekeeper, as it were, but it would have been an opportunity to refer off to the allied health professionals so that in their own professional capacity they would be in charge of those services being delivered.

I have a lot of questions to ask about this aspect of the package, which I will come to as we proceed. Case conferences have not been picked up by GPs so far. They complain about the red tape, which is going to be greater. The AMA have come out and said that they do not like this. If they do not like it and the previous package was not being picked up, then this was not going to be picked up. There are questions about how this interacts with the safety net. We have a mishmash here. It could have been simple. It could have been straightforward. It could have been contained. It could have been cost effective, but instead of that we have got a very complicated arrangement which is clumsy, to say the least, and not likely to deliver. If people think they are going to get physiotherapy, access to a dietician or a podiatrist or whatever else as soon as this bill is passed, then they are mistaken. I think we are going to see a very small number of GP consultations that will take advantage of it. Again, it is a lost opportunity, because we could have relieved doctors of some of the work that they do not need to do—and are
not very good at, I might add. That is one of the most significant disappointments.

We all know that at some stage we are going to look at a more comprehensive approach to this. I do not even like using the word ‘fix’. It is a short-term approach. It is ad hoc. It is not going to solve our overall problems in the long term. I think we will be back here debating this in the not too distant future when those costs start to blow out. We need to improve access and affordability. We also need to find alternatives to GPs and other ways of relieving them of the tasks they have.

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (11.42 a.m.)—I want to get an indication from participants in the debate as to whether anyone sees any reason why we could not get this bill passed by quarter to one. The impact of having it passed is that some 33,000 people who have qualified would have payments made to them on royal assent. If the bill is not passed by quarter to one under the existing schedule for the Senate, all of those payments, some hundreds of thousands of dollars to tens of thousands of people, would be delayed. I am happy to answer any questions but I want to see if there is any reason why we cannot or whether we could get a consensus to have the bill passed by 12.45 p.m.

Senator McLUCAS (Queensland) (11.43 a.m.)—This is the most significant change to Medicare since its inception. We cannot give an undertaking in the next hour that we will be able to understand all of the damage that has been done. We will do as best we can in the hour that we have. If we cannot get to the bottom of what is happening to Medicare, then, I am sorry, that undertaking cannot be given.

Senator CROSSIN (Northern Territory) (11.44 a.m.)—Just to concur with my colleague Senator McLucas, this is a complex piece of legislation that some of us have not even had 24 hours to look at. Minister, I have a number of questions which I would like you to answer for me. I hope you are listening, because this is a fairly complex question.

Senator Ian Campbell—I’m listening.

Senator CROSSIN—Thank you. I understand that under this package if you are classified in a RRMA 3 to 7 area then the rebate increase from $5 to $7.50 will apply for children and concession card holders. Can you confirm that Darwin is in fact in a RRMA 1 area and that therefore this part of the package will not apply to Darwin, Palmerston and possibly even Katherine?

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (11.45 a.m.)—I will get you an answer on that. If there are any other questions, I will take those now.

Senator CROSSIN (Northern Territory) (11.45 a.m.)—Thank you. If that is the case—and I am led to believe that the Darwin region is classified as RRMA 1—is that the same classification as Sydney? I am fairly baffled as to why somebody like Senator Harradine or Senator Murphy would agree to a package that provides the same benefits for people in Darwin, Palmerston and Katherine as it does for people in Sydney. You might be able to throw some light on that for me. Concerning allied health services and dental health care provisions, on one of your fax sheets you say, ‘This incentive will add initiatives, a new MBS item that can be claimed by a GP for certain services provided for and on behalf of the GP, except state or Commonwealth-funded allied health providers.’ On that list, as well as having physiotherapists, podiatrists and chiropractors, you have included Aboriginal health workers. Can you tell me why Aboriginal
health workers are on that list and to which Aboriginal health workers do you think this provision would apply? My understanding is that Aboriginal health workers are included in state or Commonwealth funded allied health providers and are employed by Aboriginal community controlled health care organisations. Can you enlighten me as to why Aboriginal health workers are on this list, how many and who you think will benefit by being included?

**Senator IAN CAMPBELL** (Western Australia—Minister for Local Government, Territories and Roads) (11.47 a.m.)—We are currently dealing with requests for amendment which relate to thresholds. These are important issues but, if we have concluded discussions about the thresholds, we should vote on those requests and then move to issues related to the allied health service as part of the package.

**Senator CROSSIN** (Northern Territory) (11.47 a.m.)—Perhaps you could answer my first three or four questions in relation to thresholds, the incentive payments, the increased rebates. Will you answer those questions later?

**Senator Ian Campbell**—Yes.

**Senator CROSSIN**—Then we will wait.

**The CHAIRMAN**—The question is that requests (1) to (3) on sheet 4189, standing in the names of Senators Harradine, Harris, Murphy and Lees, be agreed to.

The committee divided. [11.53 a.m.] (The Chairman—Senator J.J. Hogg)

Ayes…………. 33
Noes…………. 32
Majority……. 1

AYES

Abetz, E.  Colbeck, R.  Eggleston, A.
Boswell, R.L.D.  Ferguson, A.B.  Ferris, J.M. *
Campbell, I.G.  Harradine, B.  Harris, L.
Humphries, G.  Kemp, C.R.  Knowles, S.C.
Lees, M.H.  Macdonald, I.  Johnston, D.
MacDonald, J.I.  Mason, B.J.  MacDonald, J.A.L.
Minchin, N.H.  Patterson, K.C.  McGauran, J.J.J.
Santoro, S.  Tchen, T.  Murphy, S.M.
Troeth, J.M.  Watson, J.O.W.  Vanstone, A.E.

NOES

Allison, L.F.  Bishop, T.M.  Bartlett, A.J.J.
Brown, B.J.  Carr, K.J.  Bolkus, N.
Collins, J.M.A.  Conroy, S.M.  Cherry, J.C.
Cook, P.F.S.  Evans, C.V.  Crossin, P.M. *
Ford, M.G.  Hogg, J.J.  Greig, B.
Kirk, L.  Lundy, K.A.  Hutchins, S.P.
McLucas, J.E.  McLeod, A.  Ludwig, J.W.
Nettle, K.  Nettle, K.  Marshall, G.
Ridgeway, A.D.  Stephens, U.  Murray, A.J.M.
Webber, R.  Stott Despoja, N.

PAIRS

Coonan, H.L.  Coonan, H.L.  O’Brien, K.W.K.
Ellison, C.M.  Coonan, H.L.  Mackay, S.M.
Heffernan, W.  Coonan, H.L.  Dunman, K.J.
Hill, R.M.  Coonan, H.L.  Buckland, G.

* denotes teller

Question agreed to.

**Senator ALLISON** (Victoria) (11.56 a.m.)—I move Democrat amendment (1) on sheet 4139 revised:

(1) Page 2 (after line 2), after clause 3, add:

4 Review of the operation of Act
(1) The Minister must initiate, by the third anniversary of the day on which this Act commences, a review of the operation, effectiveness and implications of this Act.

(2) In selecting a person to conduct the review required by this section, the Minister must seek and select a person from nominations received from independent academic institutions.

(3) The Minister must cause to be tabled in both Houses of the Parliament a copy of the report of the review within 15 sitting days of receiving the report.

This amendment would require the government, by the third anniversary of the day on which the act commences, to review the operation, effectiveness and implications of the act. I think that is really important. As we debate the issue here today, anomalies arise and we will discuss those, and there are question marks about the inflationary impacts of this package and the effectiveness, for instance, of the extended primary care plan. I think all the measures in this bill deserve some sort of review after three years because of the doubts about the effectiveness of them.

This bill is specifically about the safety net. But so much else will come into such a review because the safety net is going to be a measure of how well or otherwise the system is working. The more people on the safety net, the more we know that costs have spiralled out of control. I would strongly recommend that the Senate support the review. It is not unusual for us to review pieces of legislation in this place after a period of time to see whether or not they are working. It is a small ask of the government. It would give us an opportunity to not only see what has happened but also push along a serious analysis of the situation and for that to be made public, not just something that the government does and perhaps hides the results of. I think this is a very important amendment, though not a highly significant one in terms of cost or what it is calling for on the government’s part.

Senator CROSSIN (Northern Territory) (11.58 a.m.)—I asked a number of questions previously about the rebate for children and pensioners, particularly in relation to Darwin and its classification as a RRMA 1. Can I have some indication as to whether I can have an answer now or at which stage in this debate am I likely to get an answer?

Senator Ian Campbell—I am happy to provide an answer, but we are now dealing with another amendment. I will give a detailed answer very shortly, as soon as I have the details.

Senator CROSSIN—Under what amendment are you intending to provide that answer to me?

Senator Ian Campbell—The very minute I have accurate information, I will give it to you.

Senator ALLISON (Victoria) (11.59 p.m.)—I also have a number of questions. I have another amendment, so there may be an opportunity for us to ask those questions at that point. I would also like an indication from the government and the opposition as to whether our amendment is supportable or not.

Senator NETTLE (New South Wales) (12.00 p.m.)—I indicate that the Australian Greens will support the amendment put up by the Democrats for review of this legislation. I agree with the comments that Senator Allison made. The 24 hours that commentators in the media have had since this deal was announced has allowed them the opportunity to outline and draw out some of the issues that are part of this package. I know that other senators who have already commented this morning have said that it has also given them the opportunity to look fur-
ther into the detail. Senator Cherry’s contribution about looking at the geographical impacts of this legislation was extremely important. We will support the review of the legislation that is being proposed in this Democrat amendment.

Senator McLucas raised the issue of complexity. This is a very complex deal that has been struck. There are many different layers of safety nets, as Senator Evans mentioned before. There are many different forms that need to be filled in, as Senator McLucas mentioned. The president of the AMA has already made the comment that it is a more complex Medicare system as a result of the deal.

Complexity always assists those who have had the educational opportunities to understand it. That means people who are more privileged in our society and who have had the opportunity for education—education that will mean that they can understand all the forms, all the different systems that doctors are looking at when making decisions about their health care needs. They are the people who benefit from a more complex system. It is not the low-income people, the people who have lacked opportunity and educational opportunity, who will be able to understand the more complex system that is being introduced this week in the Senate. Previously Senator Campbell spoke about how he believed the deal that was coming in would help low-income people. That does not fit with the idea that a more complex system always assists people who have the educational opportunities and can understand a more complex system.

The Greens want to see that all Australians are helped and assisted by improvements to Medicare, our universal public health care system. That is not something that bits and pieces around the edge, as proposed in this deal, will provide for all Australians. Senator Campbell said before that he thought there was universal access to the safety nets. You cannot have universal access to safety nets when you have two different safety nets—differential safety nets—depending upon people’s income levels, their classification and whether they happen to be self-funded retirees and therefore get a health care card. That is not universal in terms of having access to those safety nets.

The comments that have been made today by Sharan Burrow from the ACTU point out that the deal fails to provide any benefits for single low-income earners. Low-income earners who are families and may be eligible for family tax benefit B are included in the particular safety net. But what about the low-income earners who are single people and do not have children? Single working people earning as little as $340 a week are not eligible. They are not eligible for a concession card; they will not receive the safety net that the government is providing.

Yesterday in the chamber, we were talking about the holes in the safety net that people will fall through as a result of this package. Yesterday in this Senate we were told by Senator Campbell that he hoped that bulk-billing would increase. We were also told that the assumption for the modelling was that there would be no increase in bulk-billing. But yesterday Senator Campbell told us that he ‘hoped’ there would be an increase. Minister Abbott told us on radio this morning that it ‘should’ improve bulk-billing rates. Yet it is being modelled on an assumption that there will be no increase in bulk-billing rates.

Senator Ian Campbell—No, it is not. That is not what I said.

Senator NETTLE—That is what Senator Campbell said yesterday.

Senator Ian Campbell—It is not what I said. You are verballing me again.
Senator NETTLE—If that is different, I am happy to hear Senator Campbell get up and clarify that for the chamber. Certainly when, on Lateline at the end of last year, the minister was asked what were the modellings and what were the assumptions in the Medicare package, the answer was that it had been modelled for there to be no increase in bulk-billing rates. If that has changed, that is great. I would really love to hear the minister stand up and say that the model has been developed on the assumption that there will be X per cent increase in bulk-billing rates. I would love to hear that, and I am sure he will get the opportunity to stand up and clarify that for the chamber.

In relation to another component of the package, whether we would see increases in specialist fees, I think Senator Lees commented that we need to trust doctors—trust that they will not raise their fees. We have been told to ‘hope’; we have been told to ‘trust’; we have been told there should be an increase. That is not filling me with a great deal of confidence in this government’s preparedness to bolster and protect our universal public health care system. But I am quite happy for Senator Campbell to stand up and clarify that system. I think it was described in the Financial Review today as ‘Dr Tony’s Trusty Tonic’. I am not feeling really great about leaping in and having some of that tonic thanks to Dr Tony, as described in the Financial Review today. I will leave my comments there. I have further questions of Senator Campbell that I will ask later on.

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (12.06 p.m.)—I understood that we were debating the Democrat amendment in relation to a review. The government will oppose it on the grounds that, as part of the proper administration of all of its programs, we intend to monitor the benefits of the safety net and evaluate what it has achieved. Regular reports will be available on the number of people receiving safety net benefits, the average level of benefits and what other impacts the safety net may have, including the annual report. In relation to the proposed sunset clause, this amendment would establish a sunset clause for the amendments introduced. Unless further legislation was enacted, at the end of four years the safety net would lapse. It is the government’s intention to introduce a safety net that can provide certainty to people in the long term, ensuring that they have continued peace of mind and protection against high out-of-pocket costs.

To that end, the benefits resulting from the safety nets can only be paid from the date of royal assent. Although we know from figures that 33,000 families have already incurred expenses of more than $300 and that more than 3,000 families have already incurred expenses of more than $700, we cannot pay for those retrospectively. All senators need to know that the benefits of these provisions cannot help families retrospectively. People who incur expenses between now—that is, if we can get the legislation passed today and get royal assent today—and when the parliament next sits cannot be helped. It will be a decision of senators in this place to prevent those families from receiving in some cases hundreds or thousands of dollars if we do not pass this legislation by a quarter to one. There is no reason why we cannot do that.

To assist that process, I will respond to Senator Crossin’s questions: Katherine is in RRMA 6 and therefore will be entitled to the $7.50; Darwin is a capital city and therefore will not. However, the benefit of this package for Darwin—which it will not receive if this legislation is not passed today—is that it will receive the benefits of the work force measures. It will receive those if this legislation is passed; it would not have done previ-
Senator CHRISS EVANS (Western Australia) (12.08 p.m.)—I would like to make a brief contribution. Firstly, I formally indicate that the Labor Party will be supporting the amendments moved by the Democrats in relation to the sunset clause. To briefly pick up on the point made by Senator Ian Campbell: it is not the chamber standing between families and the benefits of this package. This is a package that the government has been unable to negotiate successfully with the Democrats for months and months. It was brought into this chamber yesterday. The Senate is in its second or third hour of consideration of a major change to Medicare arrangements. The attempt to browbeat the Senate contained in Senator Campbell’s contribution certainly will not work on me, and I doubt that it will work on the rest of the chamber. The fact is that this is a major change.

Senator Ian Campbell interjecting—

Senator CHRISS EVANS—That is right. I am making my second contribution to the debate, Senator Campbell. You have made considerably more contributions.

The TEMPORARY CHAIRMAN (Senator Watson)—Senator Evans, please address your remarks through the chair.

Senator CHRISS EVANS—Senator Campbell put forward a very longwinded and completely false argument about private health insurance, in which he accused the Greens of supporting a Labor Party policy that was not in fact a Labor Party policy. If he wants to talk about how the debate has been delayed, Senator Campbell ought to have a look at his own performance.

In my short, second contribution to the committee stage of the debate, I indicate that the bullyboy tactics used in saying, ‘You are standing between families and benefits,’ will not work on the chamber and will only delay the passage of the legislation. We are in the committee stage and we are considering a very detailed and major change to Medicare. We are debating only part of the change, because most of it will be done by the minister with regulation. The government announced this package yesterday. The amendments came to the Senate later yesterday evening, after the government attempted to start the debate without giving the Senate the courtesy of providing the amendments. There is a range of issues that senators are genuinely seeking to explore and understand. I accept that the government has the numbers. I do not generally rage against the dying of the light—and I do not attend to on this occasion—but equally I am not going to be party to the chamber being told it is not allowed to have proper consideration of the measures. I am not going to kowtow to some bullyboy argument that the chamber ought to get on with it and endorse the package inside 24 hours because the government has finally got its deal and got the numbers.

Senators will legitimately pursue issues that they think need to be pursued. I understand there is still some movement in the package, that there were some further negotiations regarding RRMAs and how different parts of Australia will be treated under this package—negotiations which have not yet been revealed to the Senate—last night after we commenced the debate. It seems to me that those are issues the chamber ought to know about and understand. I do not understand them. I am confused by what they mean, but I understand a change was negotiated last night in the classification of rural and regional Australia. I would have thought it would be important that the Senate understood that before we passed the legislation. Anyway—as I do not want to be accused of holding up the debate—Labor will be voting for the Democrat amendment.
The TEMPORARY CHAIRMAN—I remind the Senate that we are debating the amendment put forward by the Democrats in relation to the review of the operation rather than the sunset clause.

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (12.12 p.m.)—What Senator Evans says to some extent is right, except that the only amendment to the legislation that is required has already been dealt with. None of the other issues—if you want to look at RRMA, at how you describe them and at how you define them—are dealt with by the legislation. The only effect of any debate now that that amendment has been passed by the chamber is to delay the payment of the benefits. You can have very important debates about the RRMA or about anything else you like in the forum of the Senate, but this legislation does not affect those. It affects the thresholds. All we do now by having further debate—

Senator Chris Evans—The RRMA defines where the threshold is paid!

Senator IAN CAMPBELL—We have just passed the threshold amendment. Further debate on this will achieve one thing, and that is to delay payment to families in need.

Senator MURPHY (Tasmania) (12.13 p.m.)—I rise to speak with regard to the amendment that Senator Allison has put forward. I have always been of the view that reviews of programs, particularly serious programs like this one, are worth while. I am probably inclined to support a review process because it would not detract from the program but it would offer a chance to assess it, and I assume that assessment would be reported to parliament. With regard to the matter of RRMA classifications, which Senator Evans alluded to, both are active at the moment. As a result of discussions that I have been having for some time with the minister’s office and last night, the minister has written to me indicating that he has asked his department:

... to devise a new classification method which is a better indicator of medical workforce and other health care needs, preferably locality-by-locality, but at least by local government areas which are much more widely understood than—

the statistical local area data that is currently used to determine RRMA classifications and their application. That has implications for the application of some of these measures. The minister and I may not agree on many things, but I congratulate him on at least taking this step because it is a very significant step. It will provide a much better outcome. It will allow the department to look at the real health issues confronting various areas around this country. This is a very significant step which ought to be applauded, if nothing else is. I have had a long and ongoing argument about a particular area in my state. I am again thankful to the minister that he has ordered the reclassification of that area to what it ought to be classified as and not according to statistical data that is not relevant to the provision of health services.

Senator ALLISON (Victoria) (12.16 p.m.)—I want to correct the record. We are debating just the review of the operation. Senator Evans, you did mention that it was also the sunset clause, but it is not. I only moved amendment (1).

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (12.16 p.m.)—As I understand it, Senator Harradine and Senator Murphy have indicated that they will support the Democrat amendment. To move things along, I would be happy to have that vote put because it is clear that it is supported by a majority. I presume that Labor is supporting the review—I think Senator Evans said that—so I am happy to have that vote put.
Senator CROSSIN (Northern Territory) (12.17 p.m.)—I want to say a couple of things. Firstly, Senator Murphy, would you be prepared to table the letter you received from Mr Abbott?

Senator Murphy—I am quite happy to table it.

Senator CROSSIN—Thank you. Minister, as I understand it you are suggesting that Darwin and Palmerston are currently classified as RRMA 1. Is that correct?

Senator Ian Campbell—Yes.

Senator Murphy—and Humpty Doo.

Senator CROSSIN—and Katherine, I understand. It is my understanding that there will be a review of the RRMA areas. Is that correct?

The TEMPORARY CHAIRMAN (Senator Watson)—Senator Crossin, finish your speech first.

Senator CROSSIN—I am asking a question. Will the RRMA areas be reviewed or revised?

The TEMPORARY CHAIRMAN—Sit down if you have finished.

Senator CROSSIN—I am just getting a nod of the head and I don’t think Hansard can record that.

Senator Ian Campbell—I will stand up and then I can say something.

Senator CROSSIN—Thank you.

The TEMPORARY CHAIRMAN—Order! Senators have to talk in proper sequence. We cannot have questions flowing to and fro. Senator Crossin, when you have finished your speech, sit down and the minister will have an opportunity to respond. But while you are still on your feet I cannot call him.

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (12.18 p.m.)—The letter that Senator Murphy refers to, which is now on the public record, states very clearly that—in a constructive mood, that I think all senators will welcome—the minister has asked his department:

... to devise a new classification method which is a better indicator of medical workforce and other health care needs, preferably locality-by-locality, but at least by local government areas which are much more widely understood than SLAs.

That answers that question. To clarify: Katherine is currently zone 6 and Darwin zone 1.

The TEMPORARY CHAIRMAN—Senator Murphy, seek leave if you wish to table your document.

Senator MURPHY (Tasmania) (12.19 p.m.)—I seek leave to table the letter dated 10 March written to me.

Leave granted.

Senator McLUCAS (Queensland) (12.19 p.m.)—I find this absolutely extraordinary. For over two years we have raised the classification system known as RRMA through the Senate estimates committee process and have on every occasion been advised that the anomalies that exist in RRMA will stay because any other system would always have the same anomalies. But now we have Senator Murphy agreeing to a package because another system is going to come along. There is no consistency in the message that the department, through its minister, is providing this place. We have raised this on many occasions. Senator Forshaw has raised the problem of Nimbin many times, I have raised the problem of west of Nambour on many occasions and Senator Murphy has come to estimates and talked about his particular problem. But the message has been consistent that we cannot change the RRMA because, if you change it and put something else in its place, it will have exactly the same problem. Why is it that all of
a sudden we can get an unequivocal commit-
ment from the minister that we can fix this? I am sorry, but we have been told for
too long that we cannot. Senator Murphy, for
you to accept that as gospel, I think you have
potentially been duped.

I want to also talk about what happens
next. If we change the RRMA, if we move
from a system that we do understand to some
other system, which might be by local gov-
ernment area or might be by locality, how do
you cost that? How do you work out what it
is going to cost? How do we know what we
are buying in this package? We are just say-
ing. ‘Maybe we’ll work it out a bit later; it’ll
be okay. Don’t worry about it.’ We do not
know what it is going to cost. How can a
government manage the health department
of this nation by doing deals with senators and
saying. ‘We’ll talk about it later’? We do not
know what we are buying, they do not know
what they are buying and you do not know
what you are getting.

I am sorry, but we do not know what we
are getting in this package. I think it was a
little naive of those senators to think that
they could get a letter from the minister and
that we would sort it out later—it might be
local government area and it might be local-
ity, but we are not quite sure—when they
know that the consistent message from the
department has been that, wherever you draw
a line, there will be an anomaly. That is why
the RRMA system is not a good measure,
and the departmental officers know it. I will
leave the question of bulk-billing till later,
when we might get a bit more time.

Senator MURPHY (Tasmania) (12.22
p.m.)—With regard to the process that oper-
ates now with respect to the RRMA classifi-
cations, they change on a regular basis. They
are reviewed I think at least biannually or
triannually and sometimes annually. They
change because of population changes, either
in the positive or in the negative. So there is
an unknown factor to the costing anyway.

The government has programs that it ad-
ministers under the RRMA system. Those
costs will vary from year to year. There is a
health budget. I agree with the argument that
has been put that the system has been fund-
damentally flawed and there have been
anomalies. I have argued about those anoma-
lies for a long time. The reason I congratu-
late the minister is that he recognises that
and he has asked the department to devise a
new classification system.

Senator McLucas—You have been told
you can’t do it.

Senator MURPHY—I agree. We have
been told. I have been there and I have been
told consistently that it cannot be done. But
the fact of the matter is that this minister has
asked his department to devise some other
mechanism. That is a positive step.

Of course you cannot cost it, nor could
you cost it in the past. To a limited degree
maybe you could. But there have always
been changes and there have always been
unknown factors. Obviously when they de-
vise this new mechanism they will look at
the potential costs, and that is something that
the government will then have to come to
grips with. If it means a significant increase
in cost, that is something that the govern-
ment will have to confront. But this is a step
in the right direction. I think it is one that
a lot of people have been trying to get an out-
come on. Despite the fact that it is just in the
form of a letter, it is a fairly significant
commitment to devise a new classification
system. I hope it will be one that will deliver
a fairer outcome.

Senator McLucas (Queensland) (12.25
p.m.)—I have one very straightforward ques-
tion. In the update there is a note that says:
Areas of consideration to be added to RRMA
classification.
Under certain criteria, exceptions can now be made to the standard classification method that determines whether an area is metropolitan, regional, rural or remote for some GP Programs. Can I get an explanation of what that means, please.

Senator HARRADINE (Tasmania) (12.26 p.m.)—I have not entered the debate today so as to enable other senators to have their say about matters. But it is appropriate that I seek leave to incorporate a statement outlining my view about the matters that have been dealt with. It does not have a go at anybody; I can assure you of that. I would be grateful if I could incorporate this speech into Hansard.

Leave granted.

The statement read as follows—

There are some fairly obvious problems with Medicare today. The main problem is that medical costs are increasing, but the insurance coverage offered to patients through Medicare is not keeping up. The increasing gap between the Medical Benefits Schedule and what doctors actually charge is hurting Australians.

There is an obvious approach to this problem. The Government could increase the insurance it offers through Medicare by giving bulk-billing doctors an extra $5 across the board, whether a patient holds a concession card or not. The Senate Committee made this recommendation on the grounds that Medicare is about health care, not about welfare.

The reality of course is that the Government is not willing to do that. It is not willing to spend this much money on Medicare.

I note that the Senate did not disallow the regulations enabling the MedicarePlus $5 increase to the MBS to encourage doctors to bulk bill particular groups of patients. The Opposition in this case obviously thought that the $5 incentive was at least some extra money for Medicare, even though it was not enough.

My colleagues Senators Shayne Murphy, Meg Lees and Len Harris and I have much the same attitude to what we have achieved in negotiations with the Government. $427 million extra to help Medicare is not enough, but it was all the Government was willing to give, and it will help a lot of people.

We should acknowledge here that the Government’s initial Medicare package—“A Fairer Medicare”—weighed in at $917 million. The second attempt—MedicarePlus—was valued at $2.4 billion. The third attempt—achieved through our negotiation—is worth $2.8 billion. That’s three times the initial package and a substantial achievement.

The package that we have agreed on adds three components to MedicarePlus:

(1) $131 million more funding for bulk-billing;
(2) a much improved and more generous safety net with an extra $174 million, targeted to those least able to pay; and,
(3) a new MBS item for the services of some allied health professionals when they are providing treatment for and on behalf of a GP, at $121 million.

All of these components are important, but I have concentrated on the first two in negotiations with the Government as I think they go to the heart of what is of most pressing importance to the Australian people—affordable health care.

Extra incentives for bulk-billing

We have managed to negotiate extra funding for the MBS to the tune of an estimated $131 million to 2006-07. This comprises a $7.50 payment to doctors who bulk bill concession card holders and children under 16 years where services are provided in the classifications Rural, Remote and Metropolitan Areas (RRMA) 3-7.

For this purpose, all of Tasmania is to receive the full $7.50 benefit. Tasmania has a bulk-billing rate 13 per cent lower than the national average. Bulk-billing rates are particularly low in metropolitan areas such as Hobart, where the bulk-billing rate is down as low as 47 per cent, or around Launceston, where the rate is 43 per cent. This is compared to the Australian average of 67 per cent. It therefore made no sense to exclude cities like Hobart and Launceston from the bulk-billing incentives. Including all of Tasmania also
acknowledges the State is part of Regional Australia. The Government’s own document “Stronger Regions: A Stronger Australia”, states that “Regional Australia is the Australia outside our major capital cities”.

When looking at improving bulk-billing rates, we looked at a number of options for addressing the problem. Obviously, as I have said, the best approach would have been a universal payment for each bulk-billed patient. But the Government wouldn’t come at options which involved that much money.

The main approach we considered was to pay $5 extra per bulk billed patient to all doctors who bulk billed over 70 per cent of their patients. I think the Democrats considered a similar plan at an 80 per cent threshold. But when we looked closely at this, we realised this wouldn’t provide any incentive in places like Tasmania, where bulk-billing rates range from round 40 per cent to 60 per cent. All it would do would be to reward doctors who were already bulk-billing at those rates, or drag up doctors who were a few per cent under the target rate. Those doctors would mostly be from metropolitan centres, where bulk-billing rates are generally high. In other words, all the money would go to where there was no bulk-billing problem.

We then sat down with the Government to talk about an alternative which would be more likely to improve incentives for doctors to bulk bill in low bulk-billing areas. That led to the decision to give $7.50 to doctors who bulk bill concession card holders and children under 16 years in RRMA 3-7 areas and all of Tasmania.

Now I should be clear that there is a risk such payments will not stop or reverse the slow decline in bulk-billing. Certainly what we have negotiated is more likely to give an incentive in some areas. But in Tasmania where out of pocket expenses for visiting a GP have increased by 25 per cent to $15.39 between March 2001 and the end of 2003, I am concerned the extra $7.50 will not provide enough incentive to bridge that gap.

Improved safety net

Recognising those high out of pocket costs and the risk that bulk-billing rates may not improve, it is important to ensure that people in lower and average income level families can receive real relief from the costs of health care.

The new safety net offers the opportunity to do that. But it needs to be rigorous, robust and generous.

Visits to the GP impact on the cash flow of families, so it is legitimate to look at measures to alleviate people’s cash flow burden.

Ideally it would be more in keeping with the principles of the Medicare system to inject further money into the system so that the cash flow problem is minimised at the doctor’s surgery. As I’ve said, this Government has not shown a desire to do that. So it falls to this place to try to fix the problem.

We again looked at a number of options with regard to the safety net. One of the difficulties of the safety net is that some people will miss out, not because they don’t in principle meet the requirements for eligibility, but because they don’t meet those requirements within the inflexible confines of one calendar year. To address this problem, we advocated there be an option for people to have their out of pocket expenses calculated over two years, as well as an option for calculation over one year. Once again, the Government would not come at that option because of cost.

What we did get though was a substantially better package calculated over one year. We managed to have the $500 threshold for concession card holder and Family Tax Benefit (A) recipients reduced to $300, and the $1000 for all other people reduced to $700. So instead of an estimated 200,000 families and individuals having access to the safety net under the original MedicarePlus, we have opened it to two and a half times more people. It is estimated 490,000 people will benefit from this package.

We considered what the Democrats had proposed for the safety net, which was a $500 flat threshold for all, but that would have helped 30,000 fewer families and individuals and cut out some of the lower income earners.

My primary concern is that Tasmanians should have access to their general practitioner or to a specialist, if needed, on the basis of their health regardless of their financial resources. By and
large, most people don’t like visiting the doctor and do not do so unless they are ill. They should have access to a doctor if they need one.

Access for allied health professionals to the MBS

The Government has agreed for the first time to fund through Medicare five allied health consultations per year for services provided for and on behalf of a GP. This is a substantial step forward for patients, who will get better, more specialised care. It is also a step forward for allied health professionals, who get more recognition for their skills and access to payments from Medicare via a GP.

Claims can be made by GPs only where the allied health services are provided to patients with a chronic condition and multifaceted care needs. The patients have to be managed under the Enhanced Primary Care Program or through a multidisciplinary care plan.

This will allow Medicare to pay for services provided by Aboriginal health workers, audiologists, dentists (under a dental care plan), dieticians, mental health workers, occupational therapists, physiotherapists, podiatrists, chiropractors, osteopaths, psychologists and speech pathologists.

The new funding acknowledges the important and special skills that each allied health discipline can bring to enhancing a patient’s health. There is evidence this improves patient satisfaction and health.

Conclusion

I have had many representations from sincere people concerned about the Governments package. I agree with their general thesis that the Government should be providing an increase to the MBS to provide for bulk-billing which reflects doctors’ costs. But I can’t force the Government to do that. Six months or so of negotiations between various groups and individuals have led to the outcome before us today. It is my judgement that this is the best deal that could be made with the Government to improve the package.

Some have said that we should just reject the package. But without the package, inadequate as it is, Medicare would continue to decline and Australians would suffer indefinitely. We have managed to negotiate some increase in funds to support bulk-billing to make the lives of lower income people and working families a little easier. This is something to help them now.

Some have also said that we should reject the new safety net, as it undermines Medicare. I agree that if Medicare was operating properly, we would not need this new safety net. But I also think that in the current environment the safety net is the only concrete benefit we can offer to Australians, and particularly lower income Australians. The extra money we have negotiated to increase the rebate for bulk-billing doctors is an incentive only. It may not work. Doctors may say that it is just not enough to make it worthwhile for them to bulk bill. And in that situation, the safety net is the only assistance we can guarantee is available.

The safety net measures seek to protect the low income, poor and chronically ill from a future of rising health costs and out of pocket fees. They also recognise that the bulk-billing incentives will erode over time due to the inadequate indexation of the MBS, so there has to be some protection for Australians. There has to be some long term protection of the interests of the poor, the sick and those who suffer.

Ultimately, the Government’s performance at the next election will be linked to whether this package actually does encourage an increase in bulk-billing, or whether Australians find that they have to pay more and more in out of pocket expenses to visit the doctor.

But what we have achieved in negotiating with the Government is a concrete benefit for the Australian people—a much more generous safety net—which until the Government is willing to invest substantial funding in the MBS, is the only real guarantee that they won’t be crippled by out of pocket medical costs.

Question agreed to.

Senator Ian Campbell—I record the fact that the government voted against the amendment.

Senator ALLISON (Victoria) (12.27 p.m.)—I move:

(2) Page 2 (after line 2), after clause 3, add:

5 Cessation of operation of Act
This Act, unless sooner repealed, ceases to operate at the expiration of four years after its commencement.

This amendment has the effect of at least stopping the operation of the act four years after commencement. This would allow the matter to be returned to the parliament and would follow, presumably, the three-year review. There are enough doubts about the safety net and about the package in general for us to indicate that it should automatically stop its operations so there can be parliamentary scrutiny of the review and decisions made about how to proceed.

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (12.28 p.m.)—I did speak about the sunset clause and why we would be opposed to it because ultimately it would create uncertainty for people as the date got closer. Now that you have achieved a review, clearly any such review will create an environment—to be frank, a political environment—whereby if the review did pick up anything that needed to be changed or any weaknesses in the system then there would be a need for government to address that. In those circumstances not only would the sunset clause create unnecessary uncertainty but the review would create what the Democrats are aiming for—a review of the benefits and so forth. That would create an environment whereby reform would have to occur. So you would still get the benefit without having to create the uncertainty that a sunset clause would impose.

Senator ALLISON (Victoria) (12.29 p.m.)—I said earlier that there were a number of questions I still had to ask the minister. We were encouraged to go to votes at various points, so I will raise these now since this is the last part of the debate. I have quite a few questions on the enhanced primary care items—the EPC items. As I mentioned earlier, there have been only 150,000 of these case conferences done with GPs in the past, but we are nonetheless using this model for extending the program out to allied health professionals. How many of those 150,000 case conferences involved allied health professionals other than a practice nurse and another doctor?

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (12.30 p.m.)—In answer to Senator McLucas’s question, the guidelines for GP work force programs that are currently located in RRMA 4 to 7 will be revised to allow funding to go to the areas where the RRMA classification system throws up clear anomalies in RRMA 4 to 7. The program guidelines are being revised to do that, and that fits in with the approach that is outlined in the minister’s letter that was tabled this morning.

In relation to Senator Allison’s question about the enhanced primary care programs, she said correctly there are roughly 150,000 there. People who currently are in those sorts of programs and have that sort of care made available to them will now get the additional benefit of the $220 new rebate for services such as physio, podiatry, dieticians and so forth. On top of that, if they qualify for assistance for complex and chronic illnesses where dental care can be of assistance, then that can be added in as another $220 for up to three consultations with a dentist. We expect that the numbers will stay fairly steady. There will be some growth, of course, and the additional $220 for allied health professionals and $220 on top of that for dentists will make them more attractive, particularly to low income people.

Senator ALLISON (Victoria) (12.32 p.m.)—That is not quite answering my question; perhaps I should rephrase it. There were 150,000 case conferences, but my question was: how many of those actually involved
allied health professionals? It is my understanding that it was quite a small number. Given that yesterday the AMA came out and said it was not in favour of this proposal because of the extra administrative work, how likely is it that GPs are going to take this up given that the government is asking them, through this arrangement, to contract allied health workers rather than refer patients directly to them? The Democrats think referring patients to allied health professionals seems to be a much more sensible approach.

This program has been criticised for its very low uptake. As I said earlier, we have got close to 100 million GP consultations but only 150,000 have gone to case conferences—yet there must be many patients who have the need for case management. How confident can we be about this program? What assumptions have been made about how many of these case managements will include clinical allied health professionals? Or are we going to see more of the same? Are we going to see GPs not taking it up? How would you get them to take it up? What are the incentives when GPs already complain about the administrative work? How will you ensure that allied health professionals will be included?

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (12.33 p.m.)—I will answer Senator Allison while her question is fresh in my mind. Firstly, there is no doubt that the $220 payment for the allied health professionals and the extra $220 for dental work in complex and chronic cases meets one of the complaints about the existing scheme. You could come up with the perfect program for someone with diabetes, for example, who needs that care, but if they cannot afford to pay for it then the uptake is not going to be as good. It is a very clear benefit. Secondly, we have made it very clear that we will be consulting with doctors about how we will implement the scheme. We want to ensure that the value of the $220 payment, which is not available now to people—this support for allied health professionals and dentists is not available under any existing scheme; it was not envisaged in any policy that I have seen, and it is a good policy—is provided to the patients without putting an undue burden on the doctors.

Senator Allison knows better than most, because she takes a very close interest in this, that this government has been very active in looking at ways to reduce red tape in doctors’ surgeries. We set up an inquiry, we have responded to it and we have implemented a whole range of measures to do that using the very best information and communications technologies. We have given assistance to doctors’ surgeries to get them online and to increase the uptake of practice software. That is the same constructive, positive and active attitude that we will take to make sure the new program ensures that doctors, where it is in their patients’ interests, take up the new benefits that are attached to the health care plans.

Senator ALLISON (Victoria) (12.36 p.m.)—Unlike the government, we actually consulted doctors. They said some weeks ago, ‘We would prefer a system where we don’t have to contract these services out; where we can simply refer them.’ We have already asked the question, and that was the response. It was no surprise when the AMA came out yesterday and said, ‘We don’t like this package.’ You really should have gone to them and asked them, as we did and as we told you. That is why we suggested that this should be a referral process. Why was this chosen instead of a referral process? It could have had all of the same limitations on the number of consultations; it could have had the GP referral in the first place and the feedback so that it was still primary care through the GP. That arrangement is what
doctors said they favoured. This is a very clumsy and inferior approach to providing allied health services. I would like to know why you chose this approach as opposed to what was effectively agreed and also favoured by allied health people and GPs.

Senator NETTLE (New South Wales) (12.37 p.m.)—I have a number of questions for the minister. I understand that we are getting close to the end of being able to ask questions as the amendments run out, so I want to put these questions to the minister. One question I thought he wanted to answer previously related to the assumptions on which the modelling was based for this package and whether there will be any increase in bulk-billing rates. Would he like to answer that one again?

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (12.38 p.m.)—I answered that question accurately yesterday.

Senator ALLISON (Victoria) (12.38 p.m.)—I assume from the minister’s silence that he does not intend to answer my question about the EPC arrangement as opposed to one with direct referrals. It is a pity that he is not prepared to answer that, because I think this is a fairly fundamental flaw in what we are being presented with.

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (12.38 p.m.)—I do not have anything to add to what I have said about it. We have said we are going to consult with doctors. It is important to make it work. Some members of the medical fraternity think the way that we have gone is a good way; others have doubts about it, and we are going to talk to them about it because we want the benefits to go to the patients. I am told that some sections of the AMA have strongly supported this model and others have not. I think that is reflected in Senator Allison’s own consultations. Doctors are not some sort of amorphous mass who always have a unitary view on issues that affect them. They have different views depending on their perspective.

At the moment we have a system whereby doctors can refer patients to allied health professionals such as physios and others. What we are envisaging is a system whereby the GP will create a plan, they will work with allied health professionals and with dentists in some cases, and the GP will obviously keep control of that plan. That may not suit some GPs but it may suit others. It is quite natural for there to be a division on it. What we want to do is work through the most practical way of implementing it. I think Senator Allison would support that approach. It is a consultative, practical approach to getting benefits delivered in health care to the very needy patients in our society.

Senator ALLISON (Victoria) (12.40 p.m.)—I doubt I will get the answers to these questions, but I want to put them on the record anyway today. Perhaps at some later stage the minister can get round to answering them. It would be interesting to know the age and demographic profile of the 150,000 people who currently receive case management plans. It would be interesting to know how much of that $35 consultation fee that is being paid to the GPs to be passed on to allied health professionals will actually be paid to them—in other words, how much will GPs keep in return for the administrative cost of doing that? What is the average consultation fee by allied health workers? Thirty-five dollars does not sound a lot. A lot of those allied health workers will have 45-minute consultations. What happens to the gap? If it is $90 for an hour’s consultation, does that gap go into the safety net, for instance? If there is a maximum of five consultations out of which at least two health workers will be paid, are you effectively saying that each allied health
professional will only receive a maximum of two payments? How that works would be interesting to know.

At the moment members of health insurance funds can sometimes claim $90 or $122 for allied health services such as dentistry or physiotherapy on their ancillary insurance, but they are prohibited from claiming any service that has an MBS item number. Is this part of the MBS item number system, and so does it take it out of private health insurance for those people? In which case, how do they work all this out? Will the establishment of an MBS item number mean that people with private health insurance will not be able to access allied health care through private insurance from now on? If not, how will people with private health insurance decide? At what point will they be able to make that decision—whether they are better off claiming allied health through this approach or a private insurance approach? Does the government intend to change the act to allow private health insurers to insure for the first time against items that are covered by Medicare for out-of-hospital expenses? If so, is that a backdoor approach to what A Fairer Medicare attempted to put in place—which was private health insurance cover for the gap? To have a serious response to these questions—and I am sure there are many more—would be very useful, Minister.

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (12.42 p.m.)—They are detailed questions, they are important questions and, although they are part of the MedicarePlus package, they are not covered by the specific legislation we have before us. I am happy to take all of those questions on notice and give detailed answers as quickly as I can.

Senator NETTLE (New South Wales) (12.43 p.m.)—I have a question in relation to geographic differential rebates. I understand this was part of the first package—A Fairer Medicare package—when Senator Patterson was the minister. Can the minister outline for the chamber the basis on which the decision was made to move away from a process of geographic differential rebates? On what basis was a subsequent decision made to go back to a model of differential geographic rebates?

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (12.43 p.m.)—We have actually adopted an entirely different model. Madam Temporary Chairman, is there any chance of getting a vote on this now? I would like to get the remaining amendments put. I understand that the sunset clause motion is still before us, but if there is a chance of getting the bill passed now I would like to see those questions put if possible.

Senator NETTLE (New South Wales) (12.44 p.m.)—What then would be the process for answers to questions?

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (12.44 p.m.)—I will take them on notice.

Question negatived.

Senator CHRIS EVANS (Western Australia) (12.44 p.m.)—I move opposition amendment:

(1) Schedule 1, page 3 (after line 4), before item 1, insert:

7C The Principles of Medicare

(1) Medicare is a universal national health insurance system that is paid for from the taxation contributions of all Australians and to which all Australians have equal access.
(2) Given the universal nature of Medicare, it is unlawful to increase patient rebates for a bulk billed consultation or pay other incentives to medical practitioners to bulk bill consultations unless the same patient rebate or incentive applies to all bulk billed consultations.

(3) As part of Medicare, all reasonable steps should be taken to enable 80% of unreferred services to be bulk billed.

The amendment seeks to establish principles for Medicare that are not reflected in the government’s agreement with the Independents. I do not expect it to be supported, because it actually endorses universal access and a range of other measures that I think are contradicted by the amendments we have already carried.

Senator NETTLE (New South Wales) (12.45 p.m.)—The Australian Greens will support this amendment put forward by the opposition, because we too believe in the universality of Medicare.

Question negatived.

The TEMPORARY CHAIRMAN (Senator Kirk)—Senator Allison, do you wish to proceed with Democrat request (3) on sheet 4139?

Senator ALLISON (Victoria) (12.45 p.m.)—No, I withdrew that amendment earlier.

Bill, as amended, agreed to, subject to requests.

Bill reported with amendments and requests; report adopted.

AUSTRALIAN SPORTS DRUG AGENCY AMENDMENT BILL 2004

Second Reading

Debate resumed.

Senator LUNDY (Australian Capital Territory) (12.46 p.m.)—I rise today to support in principle the Australian Sports Drug Agency Amendment Bill 2004, which outlines a number of changes to the Australian Sports Drug Agency Act 1990. In essence, these amendments to the existing bill are necessary to enable the Australian Sports Drug Agency to comply with provisions required to fully implement the world antidoping code. Labor is and always has been a strong advocate of the fight against doping in sport and understands the integral role that the Australian Sports Drug Agency plays in eliminating the use of performance enhancing drugs in sports, both within Australia and internationally.

The establishment of ASDA by the Labor government in 1990 is indisputably one of Australia’s proudest achievements in sports policy. The initiative and foresight shown by Labor through the creation of ASDA at a time when no other country had come up with a solution to the rise in performance enhancing drugs placed Australia at the forefront of the doping battle. Since this time, as the complexity of drug use in sport has escalated, it has become apparent that a coordinated worldwide effort to eliminate the inconsistencies of doping policies that applied across sports and countries was essential to stem the rising tide of doping abuse.

In 1998, after the scandal of a drug riddled Tour de France, a world conference was called to address the issue of doping in sport. From this conference the concept of a world antidoping agency grew and subsequently, in 1999, WADA was established as an independent, nongovernment organisation. WADA’s aim is to foster a worldwide doping free culture in sport by combining the resources of sport and government. Its charter is to enhance, supplement and coordinate existing efforts to educate athletes about the harms of doping, to reinforce the ideal of fair play and to sanction those who cheat themselves and their sport. A key element for real success in a worldwide fight against the use of performance enhancing drugs in sport was
the necessity to have a standardised set of doping rules and regulations that applied to all sports across all countries. As a result the world antidoping code was developed.

The Copenhagen World Conference on Doping in Sport held last year provided the first opportunity for countries to sign up in support of the world antidoping code. On many occasions Labor has strongly urged the Howard government to take a genuine stand against drugs in sport. Adopting the WADA code was seen as an integral step in bringing an end to the use of drugs in sport. In a move that was loudly applauded by Labor, Australia was one of the first countries in the world to sign up in support of the WADA code. Adoption of the WADA code represents a historic achievement for those concerned with doping in sport. With governments and sports organisations playing an active and crucial role in supporting and promoting the code, we are much closer to achieving our goal of doping free sport. Accepting and, more importantly, abiding by the code creates transparency and accountability. Under the code, the actions—or inactions, as the case may be—of all will be known and closely monitored. If adhered to and used properly, the code is an important step forward in the fight against doping. It marks a point of no return.

The year 2004 is a crucial year for the fight against doping in sport. This year is the year that the world antidoping code will be implemented by sports organisations prior to the Athens Olympic Games. For the first time, athletes will compete at the Olympics knowing that they are competing on a level playing field, at least when it comes to doping guidelines. The code will ensure that the rules and regulations governing antidoping will be the same across all sports and all countries for this competition. Governments will soon follow the example being set this year by the sports movement and will implement the code in their countries prior to the Winter Olympic Games in Italy in 2006.

Regardless of whether one agrees with the contents, the code will be the standard for all antidoping regulations not only as the norm which should be complied with but also as a standard of quality. For too long there have been incomprehensible variations in application of the code between sports and within sports at different levels of competition. One of the major inconsistencies is that up until now each sport has been allowed to develop its own list of banned substances. One of the major concerns raised by some sporting bodies who initially spoke out against the code was a uniform banned substances list. Cricket, for example, argued that some drugs which should be banned as performance enhancing in the sport of archery should be allowed in cricket because they do not really aid a cricketer’s performance. One would have to ask why, if performance is not enhanced, a player would be taking the drug at all. There are provisions made for the use of drugs required to treat genuine medical conditions so, if a drug is not used for therapeutic reasons, then why use it at all? The reality is that a performance enhancing drug is a performance enhancing drug regardless of what sport you play, and a banned substances list that applies to all sports is a fair and equitable list.

Similarly, sports have in the past been allowed to impose their own sanctions for drug use infractions. This has led to almost inexplicable variations in sanctions both across and within most sports. As an example, in the case of two failure to comply incidents a weight-lifter received a three-year ban while a rugby league player was not sanctioned for a similar offence. These examples clearly show the need for greater consistency in the guidelines that determine doping infractions across all sports, as well as for uniformity across sports for sanctions handed down.
The specific purposes of the WADA code are: first, to protect the athlete’s fundamental right to participate in doping-free sport and thus promote health, fairness and equality for athletes worldwide and, second, to ensure harmonised, coordinated and effective anti-doping programs at the international and national level with regard to detection, deterrence and prevention of doping. Implementing and following the WADA code’s comprehensive set of doping rules and guidelines will greatly assist in limiting some of the inequities that currently exist in sport. While Labor supports the amendments to the ASDA Act before us today, it is on the basis that these changes must be made to ensure that the ASDA is WADA code compliant prior to the commencement of the Athens Olympics.

There are, however, a number of issues of concern. One of the key concerns is a relaxation in regulations that relate to privacy. A mainstay of the WADA code is transparency and sharing of information. In essence, the WADA code allows for the naming of athletes found guilty of doping offences, and further allows for that information to be accessed via a centralised doping register warehouse. While the naming of drug cheats is not an issue—the aim is to deter athletes from using performance enhancing drugs—the relaxation of the guidelines that determine when an athlete is considered to have tested positive is a major concern. Under current ASDA guidelines an athlete is not considered positive and cannot be named to a relevant sporting body until such time as both an A and B sample have tested positive and the competitor has had the opportunity to make a written submission to ASDA.

Implementation of the new WADA code guidelines will mean that disclosure is required immediately upon the A sample revealing a positive test result and ASDA being satisfied that there is no therapeutic approval and that the relevant international standard for testing has been complied with. There is also the requirement to make a public disclosure of information relating to entries on a register, in effect, to release the name of an athlete who tests positive. This represents a substantial dilution of the protection afforded to competitors who are under suspicion but whose status has yet to be determined through B sample testing and hearing processes, and also places a degree of discretionary decision making regarding disclosure on the testing agency.

The public exposure of a bona fide drug cheat is a move welcomed by all. Perhaps the prospect of permanently tainting one’s character will be enough to make an athlete think twice before using banned substances. The concern is that relaxing a number of current protective measures potentially increases the chances of publicly naming an innocent party, and the labelling of an innocent party as a drug cheat is another matter altogether. Currently there are very few courses of action available to an athlete who finds themselves in such a situation to clear their name. Athletes may make an appeal to the Privacy Commissioner or launch a Federal Court case, but for many these avenues are not seen as genuine alternatives.

Regardless of the options available, even in the event of an athlete being totally cleared of any wrongdoing, there is no question that no matter what the issue some of the mud always sticks. It is for this reason that Labor believe it is important to pay particular care to the issue of disclosure of infractions. We have been advised by the Department of Communications, Information Technology and the Arts that the conditions under which an organisation—in this case ASDA—can release information regarding a doping infringement are covered by the ASDA regulations. These regulations are currently being redrafted in order to bring them into line with administrative changes required by the
implementation of the WADA code. Labor have lodged an expression of interest in the progress of this redrafting and will continue to closely monitor this process to ensure the rights of all concerned are upheld.

Another area of concern is that of drug testing and research. The WADA code will serve as a fundamental tool in the fight against doping; however, the fact that the code exists will not by itself reduce doping. Doping will not be reduced alone by rules, by strong declarations or by sanctions on paper. Using the code to set rigorous rules to make a strong stand and to impose tough but fair sanctions will only go part of the way to solving the problem. It will be the actions in the fields of testing and research that will genuinely determine the effectiveness of the fight against doping in sport. It is that moment when we finally cross the line where the chance of being caught is a much greater deterrent than the threat of a sanction that the fight will begin to favour the just, rather than the cheats. Athletes from all sports must know that the chances of being tested and caught are much greater than the chances of avoiding detection.

Staying ahead in the testing game means staying ahead in research. Every day there is evidence of new previously undetected drugs coming to light—THG, EPO, HGH or genetic modification; the list seems endless. It is only through continued support of research that these doping methods will be uncovered and tests for their detection developed. Until recently Australia was the world leader in antidoping research. Inexplicably, however, in recent years the Howard government has chosen to enforce a ban on some of this world-leading research, which has effectively relegated Australia to a position of disciple rather than messiah.

Research and testing must be supported as integral parts of the world antidoping program. The passing of the WADA code has allowed for a worldwide giant leap forward in harmonising efforts across all sports and countries to eliminate doping in sport. Its genuine success, however, rests on the ability of organisations to develop effective detection tests for the myriad of banned substances that riddle sport. The WADA code is like a new Porsche. The specifications are great, it looks good on the outside, and if driven properly it should perform magnificently. Like every high-performance vehicle, it must be handled with care, due consideration and skill.

The WADA code alone cannot make the change. The true success of the code will be ultimately determined by the sports organisations and governing bodies whose duty it is to embrace and enforce the principles of the code. Labor supports WADA and the WADA code. Labor also supports the Australian Sports Drug Agency and its role in promoting the code and leading the fight against doping in sport. As I said at the beginning of my speech, Labor supports this bill.

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (1.00 p.m.)—The purpose of the Australian Sports Drug Agency Amendment Bill 2004 is to give relevant functions and powers to the Australian Sports Drug Agency and the Australian Sports Drug Medical Advisory Committee to enable them to adopt and implement requirements of the World Anti-Doping Code by the commencement of the Athens Olympic Games in August 2004. It is vital that Australia’s antidoping program adopts an international best standard to ensure that we are well positioned strategically to continue to meet challenges in the fight against doping in sport in the lead-up to the Athens Olympic Games and beyond. I commend the bill to the Senate.
Question agreed to.

Bill read a second time.

**Third Reading**

Bill passed through its remaining stages without amendment or debate.

**CUSTOMS LEGISLATION AMENDMENT (APPLICATION OF INTERNATIONAL TRADE MODERNISATION AND OTHER MEASURES) BILL 2003**

**IMPORT PROCESSING CHARGES (AMENDMENT AND REPEAL) AMENDMENT BILL 2003**

**Second Reading**

Debate resumed.

**Senator MARK BISHOP (Western Australia) (1.01 p.m.)**—Today we are considering two bills cognately, the Import Processing Charges (Amendment and Repeal) Amendment Bill 2003 and the Customs Legislation Amendment (Application of International Trade Modernisation and Other Measures) Bill 2003. The first bill makes amendments to the Import Processing Charges (Amendment and Repeal) Act 2002. Its primary purpose is to extend certain charges in the Import Processing Charges Act 1997 during the switch-over between computer systems. The Australian Customs Service has been redeveloping its computer systems for the better management of its business. This is the cargo management re-engineering project, which has achieved much notoriety for its delay and extraordinary overspend. It is an overspend which has left Customs virtually bankrupt, and the receivers have now been called in.

This project and the authority needed for its operation have been authorised by the Customs Legislation Amendment (Application of International Trade Modernisation and Other Measures) Bill 2003. This bill contains provisions for the transition between systems so as to provide continuity of function, but authority for the collection of duty in that period is also required. Unfortunately this necessity has not been properly foreseen. In short, it has belatedly been realised that the old and the new systems will need to operate in tandem for a fixed period. This will enable industry to switch over and adapt its systems to the new framework established by Customs. It will also allow a period of grace in which the new system can be bedded down without risk of total failure in business transactions. That is very sensible. It is reassuring for industry, whose confidence in this project is of a very low order. So continuity for the authority to collect duty is needed for both systems. These are very practical propositions which the opposition supports.

The second bill, the Customs Legislation Amendment (Application of International Trade Modernisation and Other Measures) Bill 2003, is the fifth piece of legislation necessitated by the CMR project. I emphasise the point just made about the quality of the planning for this project going right back to its inception. We can have no doubt that it will not be the last amending bill brought before this chamber. This bill provides for the tandem operation of the systems described a moment ago. As with all changes to the system, there need to be provisions for transition. This is particularly the case for high-volume systems which operate 24 hours per day. Business in a pipeline for one system must clear, and new business must commence. There cannot be any down time. Industry users need that continuity and safeguard if something goes wrong. Of course, we sincerely hope that Customs gets it right and all the bugs are ironed out. We hope that when the new system goes live there will be no problems. That is why we are currently seeing extensive testing with industry. But, as we know, there is no test like that of the
full load of normal daily traffic. Tandem operation is therefore essential for the time being but, as I said earlier, it is a pity that it was not anticipated and put into the planning process.

It must, however, be said that this is quite a complex project. Customs transactions are detailed with respect to manifest information and other processes. There is an enormous amount of data to be transmitted in line with very detailed legal requirements—hence, there are other provisions in this bill to clarify the communication of data. The bill also makes some changes to the importation of firearms. The minister is given additional powers in some circumstances to withhold such restricted imports. Provision is also made for the clarification of cargo reporting requirements and record retention. Added changes have been made with respect to impoundment. The bill also changes the means for the calculation of duty on imported alcoholic beverages. That has been necessitated by a number of successful appeals on the calculation of duty. Duty will be calculated not on the level stated on the label but as measured for actual content. None of these provisions are controversial, and they are therefore supported.

However, the introduction of these bills does provide an opportunity to draw attention to the parlous state of Customs operations. The management of the CMR project is symptomatic of this, but it also goes to the heart of the government’s management of this very important portfolio. It is no news that the CMR project is overspent by $100 million. That in itself is, of course, an indictment. It means this project commenced without proper analysis and continued with inadequate planning. It has been undertaken without a clue as to actual cost.

The evidence is there before us. The Australian Customs Service, the collector of billions of dollars of revenue, is broke. What started as a good idea has become a monster, eating up $100 million of operational funding. No supplementation has been granted by the government by way of capital investment—until now. Customs has run up the white flag to the Department of Finance and Administration and the receivers have been called in. The current additional estimates provide for a capital injection of $43 million.

But it is only the start. Customs were forced to provide for an overspend of $30 million and must find another saving of $24 million before the financial year is out. No operational organisation can manage that task without seriously abandoning some of its operational responsibilities. In fact, we know that is already happening. Staff on the ground, who are already pressed, simply cannot fulfil their duties. It is apparent at airports where there are shortages of staff and rosters are therefore increasingly difficult to fill. There are restricted hours for the operation of X-ray facilities at the four major seaports where cargo flows 24 hours a day. Intakes of trainees are cut. Instructions sent out to regional staff to inspect more ships and ships crews’ IDs are fulfilled by stopping other work. The fabric is stretched to the breaking point.

All of this is at a time of heightened security when it is expected that a frontline force like Customs would be fully funded. That is simply not the case. The admission is on the record. In fact we are looking forward to seeing the findings of the Finance investigation in due course. We look forward to seeing extra provision in the forthcoming budget by way of additional capital investment. What we do not look forward to though is seeing valuable Customs staff with lifelong experience leaving and not being replaced. The CEO of his own volition has admitted that he will have no choice but to tell the government that he cannot any longer carry out
necessary and statutory tasks. That is on the record also. What is staggering about this serious predicament is that the minister is in total denial. All we hear from the minister are good news stories about the latest interception of a flick-knife or some narcotics. That is good stuff and we need to know. But what is not being done is the question. It is much more than a public relations task. Underneath, all industry knows there is a serious cancer growing. Customs is starved of operational funds.

Customs has long been the real force guarding Australia’s borders. The sad state of its finances, however, prompts the question: how much longer can it manage under its current administration and with current levels of funding? How much longer will it be before we have a serious incident? We have already seen at Mascot over the New Year a person without a ticket get past the barrier to board an aircraft. Customs own premises were invaded in broad daylight and thieves removed computers, some still in boxes. The investigation took five months and the only report we have is the censored version. We know that very few containers are being inspected. Staff are repeatedly telling us they cannot cope. This is a very serious position Customs finds itself in. These bills today are just further indicators of the problem. The CMR project, despite all good intentions, has become a monster. It has consumed much of Customs capital, and industry is still distrustful and sceptical that the project will not work. We certainly hope that is not true. We support the bills.

Senator MURRAY (Western Australia) (1.11 p.m.)—Radical reform to the customs department systems is a consequence of the legislation passed after a very contentious inquiry and debate in the year 2001. The Democrats were obliged to exercise their balance of power on the original bill and, having made that judgment, have a stake in seeing that the outcomes are as intended. The Customs Legislation Amendment (Application of International Trade Modernisation and Other Measures) Bill 2003 implements a range of measures designed to assist with transitional arrangements required for the ongoing program of customs international trade modernisation and the transition between the current Australian Customs Service electronic reporting systems and the new integrated cargo system as part of the cargo management re-engineering project.

This customs omnibus bill seeks to clarify aspects of the major reforms associated with new electronic communication arrangements aimed at: implementing the program of customs international trade modernisation, enhancing customs border controls, clarifying cargo reporting requirements, and clarifying calculation of customs duties on alcoholic beverages. The Import Processing Charges (Amendment and Repeal) Amendment Bill 2003 simply extends some transitional provisions in its parent act. I do not want to take a lot of time discussing the provisions of the bills, as we have all agreed that these two bills should proceed cognately as non-controversial. There are, however, a couple of points I want to make about this first bill and the cargo management re-engineering project more generally.

Firstly, I turn to the project itself. As we are all aware, this undertaking by Australian Customs has been in train for several years now. To say the least, it is taking a lot longer than Customs and the minister told us it would. It is a reminder that when the minister stands in this chamber and says, ‘Trust me,’ he needs to be able to back up that trust and fulfil the obligation that he puts to the chamber. The Australian Customs Service initially released its cargo management strategy in 1997 and its draft customs management re-engineering business model in 1999. Since 2000, this project has been considered
in a range of different bills, inquiries, reports, and hours of estimates committee hearings. Generally at those times I am otherwise engaged on the Senate Finance and Public Administration Committee—

Senator Mark Bishop—We’ve missed you, Senator Murray!

Senator MURRAY—I am always grateful for the diligence with which Senator Bishop my colleague in the Labor Party does attend to these matters, but that does not mean to say that I do not keep an eye on it. Last year we passed the Customs Legislation Amendment Bill (No. 2) 2003 granting an extension of the legislative deadline for the project until 2005.

The parliament has devoted a great deal of time to this matter of these new systems and has been very accommodating in granting the government and Customs a deal of latitude with respect to this project—indeed, it is being accommodating again today. More than a year overdue, more than $100 million over budget and with the most complex phase of the project yet to be completed, our patience is wearing thin—and when I use the word ‘our’ I do not just use it with respect to my own party. A decade or so ago, Customs got itself into terrible trouble with the parliament and acquired a poor reputation in its corridors. Customs and its minister need to be alert to the growing irritation with poor outcomes in this IT process. This entire affair suggests poor planning and poor project management on the part of the government and the department. While I remain hopeful the new systems will eventually be very beneficial to importers and exporters, as outlined in the original bill and the original projections, this kind of delay and overspending is unacceptable.

Recent press commentary has suggested that industry is growing ever more distrustful about the assurances that it will all be up and running soon. I note that there are also concerns about the fact that matters such as the ‘deferral of duty’ component of the accredited client program have not yet been resolved between Customs and Treasury. Frankly, Minister, the message I seek to give you and which Senator Bishop—I gather from his remarks in the second reading debate—seeks to give you is that this has gone on for long enough. If it is not sorted out soon, the minister will need to ensure heads roll. That means that management, who are responsible for this state of affairs, should pay for it as they would in the private sector, and it means that if the minister does not sort it out he should pay for it as well.

I am somewhat encouraged by comments of Customs officials in the most recent estimates hearings that the last phase of the project, the building and testing of the software components for the imports side, is due to be completed in May this year. While I understand that the process of integrating these new systems may take several months more, it is reassuring to be told that the new July 2005 deadline will be met. More than enough time, money and effort has been expended on this project already.

I will turn finally to just one provision of the bill. The Senate Scrutiny of Bills Committee raised concerns that item 5 of schedule 2 to this bill gives the minister an apparently unfettered, non-reviewable discretion to order Customs to detain certain goods. The committee pointed out that:

... although the provision states that the Minister must consider that the detention is ‘in the public interest’, there is apparently no means by which the owner of those goods could challenge the exercise of the Minister’s discretion. The Scrutiny of Bills Third Report of 2004, dated 10 March, reported the response of the minister. In part, he said:
The Government protects the Australian community by restricting the import of certain goods, such as dangerous weapons and drugs. Primarily this is achieved through the Customs (Prohibited Imports) Regulations 1956 (the Prohibited Imports Regulations). New or amending regulations are disallowable instruments.

The proposed new provisions will only apply to imports which are restricted by the Prohibited Imports Regulations.

... the Bill also prohibits the Minister from delegating his or her powers under the new provisions—item 2 of Schedule 2 to the Bill refers. On this basis the Government does not propose that the Minister's decision be subject to merits review.

The Government anticipates that the Minister would only need to consider exercising this power in extreme circumstances. Where this occurs the importer, under the terms of proposed new section 77EF, will be entitled to receive compensation on just terms unless the situation is amicably resolved earlier.

The committee accepted this explanation and the safeguards outlined, as do I. It is a pity the explanatory memorandum did not explain this issue fully in the first place and save a lot of time and trouble for those concerned.

In closing, I am aware that there are many very fine people in the customs department. Many are doing a really good job and applying themselves in Australia's interests. I think that some of the achievements of Customs have been really notable and commendable on the operational side, but I want to repeat that this particular issue of the systems of Customs matters so much to Australia. It is not just a question of money, although the money is huge, but it matters so much to Australia's national interest that Customs really does have to get its act together.

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (1.19 p.m.)—I thank honourable senators for their comments, and I commend the bills to the Senate.

Question agreed to.

Bills read a second time.

Third Reading
Bills passed through their remaining stages without amendment or debate.

NATIONAL MEASUREMENT AMENDMENT BILL 2003
Second Reading
Debate resumed from 12 February, on motion by Senator Ian Campbell:

That this bill be now read a second time.

Senator CARR (Victoria) (1.20 p.m.)—The National Measurement Amendment Bill 2003 creates a National Measurement Institute within the industry portfolio. It combines a number of existing agencies: the National Measurement Laboratory, currently located within the public research agency, the CSIRO; the National Standards Commission, a stand-alone statutory authority; and the Australian Government Analytical Laboratories, or AGAL. The Labor Party are not opposing this bill and, on the face of it, the bill is not controversial. In many ways, the bill moves towards the sorts of policy directions that we are interested in doing—that is, finding mechanisms by which we can have a more coordinated national research effort across the whole of government. On the other hand, this bill provides measures which deserve careful consideration and close scrutiny.

The bill goes to matters that are central to aspects of my portfolio—that is, the articulation of standards that meet world's best practice in measurement and calibration. If we look at the historical precedents for this, 150 years ago what went by way of measurement in one town did not necessarily go by way of measurement in the next town. Even the
times on the town hall clocks were different—until the advent of the railways and therefore some economic need for some semblance of standardisation to make sense of the railway timetables themselves. In most circumstances, there was not really a pressing need for deadly accuracy when it came to measurement by physical quantities—weight, length and so on. However, in today’s environment that is no longer the case. The demands created by sophisticated technology, science, legislation, international agreements and treaties mean that standardised measurement and calibration of measurement instruments are central to the conduct of commerce and public life.

The functions carried out by Australia’s existing agency in this field are very important. They are all distinct. In considering this bill, I think that needs to be understood. Therefore, it is worth spending a couple of minutes describing the salient points. The responsibilities of the National Measurement Laboratory are established by two acts of parliament, the Science and Industry Research Act 1949 and the National Measurement Act 1960. Located within CSIRO, the laboratory’s role was strengthened and emphasised by the Keating government’s national facility within the CSIRO following recommendations of a committee of inquiry into Australia’s standards and conformance infrastructure which reported in 1995. This report put forward the concept of a national system of trade measurement. It articulated the imperative to meet international standards of best practice in this area to enhance Australia’s global competitiveness.

The laboratory has a prominent international focus and reputation both in metrology research and through an active comparison process with systems and standards in other countries. Keeping abreast of global requirements for accurate measurement systems and devices grows in importance year by year. International trade, I emphasise, depends on it. The National Measurement Laboratory also runs a calibration service for Australian industry and commerce. Again, as the accuracy of fine measurement becomes more crucial to manufacturing and communication, due to technological requirements, this function also becomes ever more vital. Australia’s National Measurement Laboratory plays a pivotal role in assisting the developing countries of the Asia-Pacific to establish and strengthen their national standards and systems in measurement. One of my key reservations about this bill is that this process that we are establishing today contributes to the asset stripping of CSIRO that has taken place continually under this government. CSIRO must retain the ability to operate a comprehensive research program, especially in areas such as this one, which is of central importance to Australian industry.

The National Standards Commission is an independent statutory authority with a range of powers and functions, again crucial to industry and to the commercial world. They include establishing and maintaining a national system of units and standards for measurements of materials, applying these standards to commercial contexts and transactions, and reducing barriers to international trade through global harmonisation of measurement and measurement testing. The commission is currently the authority responsible for the verification of the accuracy of measurement instruments of various kinds, including gas and similar utility meters. It is responsible for the licensing of other authorities—for example, in the states and territories—to carry out this function. It also has enforcement powers, such as the revocation of licences and the power to undertake other disciplinary actions for breaches of measurement standards.

The Australian Government Analytical Laboratories provides actual services in
measurement and analysis and is located within the Department of Industry, Tourism and Resources. The fields it covers include chemistry, microbiology and materials science. Among the critical work that AGAL performs is the provision of forensic analysis for the Australian Federal Police and other government agencies in court actions involving drugs and other prohibited substances. This is a case where the integrity of analytical research and presentation is everything.

Of great concern is the matter of the skills and the capacity of the organisation, and that has been the subject of public debate in recent times—a matter that I have raised through Senate estimates. Examples of other projects recently undertaken by AGAL include a review of the technologies for detecting GM materials and the development of a method on behalf of the World Anti-Doping Agency for detecting certain substances in human blood that may be used improperly by athletes. So this is a hands-on, specialist measurement agency. As such, it performs essentially different, though related, functions from those of the regulatory and research agencies.

I will return for a moment to the 1995 Kean report, the report of the inquiry I referred to earlier. This was an important inquiry in the process of the development of these agencies. According to the Australian Constitution, measurement and its regulation are the responsibility of the Commonwealth. Yet, when this report was produced, measurement standards varied across all Australian states and territories. A company wanting to produce goods for sale in states and territories had to run the gauntlet of eight separate standards regimes before it could begin. The inquiry that led to the Kean report was set up by the previous Labor government with a view to achieving a national approach that would befit that regime. The report recommended a revamping of the national standards and measurement structures and infrastructure and, more importantly, a truly national framework for regulation and standards setting. Its emphasis was on strengthening existing institutions and functions. Additional funding was recommended, as well as revision and clarification of the role of the National Standards Commission. The then Labor government proposed to do this through a new memorandum of understanding between government and its arms-length standards body.

In short, the framework recommended to the government in 1995, following this independent inquiry, proposed that the formal separation of the regulatory authority, the commission, from the government be preserved—that is, in its structural independence and integrity. At the same time, other aspects of measurement and standards setting would be brought into line across the country and with international best practice.

It might well be argued that, since 1995, it can be demonstrated that rationalisation of the world of measurement and measurement regulation has moved on. I think we could say that, since 1995 and following the change of government in 1996, the coalition has taken a number of modest steps—and I say that they are only modest steps—to implement parts of the recommendations of the Kean report to keep Australia in step with world developments. However, the government should have taken the opportunity to bite the bullet on major reform.

The government has moved to rationalise the standards regime, and what we see before us today is one approach. Labor do not oppose this bill, because we recognise that there is some genuine merit in the efforts to strengthen the regulatory framework and associated public infrastructure. However, back in 1996, the then Minister for Science and Technology, Peter McGauran, expressed...
the Howard government’s support for the major recommendations of the Kean report, especially those relating to the establishment of a single, national regime. The government’s attitude then, however, appeared tacitly to support the continuation of the status quo that has until now formally separated the peak national standards body from the administrative machinery of government—that is, as a statutory commission or authority. The government is now moving to dissolve that separation, taking away the statutory independence of the National Standards Commission and moving those functions into the industry department.

Although it is proposed to establish the position of a chief metrologist, the government is essentially vesting all final power in the secretary to the department. This power includes enforcement and disciplinary action. It also includes the powers of licensing, other than over non-government bodies, to undertake some regulatory functions related to measurement standards in particular fields. Such a move could be regarded as contrary to the direction taken in other policy areas.

For instance, if we look at the registration, regulation and enforcement powers relating to companies, we can see that they are regulated by an independent statutory body—that is, the Australian Securities and Investments Commission. Migration agents are registered and their activities regulated by the independent Migration Agents Registration Authority.

So in the area of measurement standards, where it is critical that there is objectivity and no suggestion of compromise to the integrity of administrative practices, it might well be that a position different from that proposed in this legislation could have been taken. We simply cannot have a situation in which it can be alleged that public servants might fiddle with the calibration of a set of scales. We simply cannot have that circumstance. It is because of the need for accurate measurement and integrity and objectivity of standards of measurement, especially when we are talking about forensic issues with regard to drug enforcement and prosecutions, that the standards not only be right but be seen to be right. These standards must engender confidence in the Australian public and internationally. Basically, we need to ensure in terms of our international trade that there cannot be a question mark over these sorts of issues. If national standards and monitoring in this area are not right, and guaranteed to be right, I say that our trade in high-tech products might not reach its full potential. Australia is a signatory to international agreements that pertain to standards. These agreements are relevant to our standing in negotiations surrounding international trade agreements.

For all these reasons, Labor regard it as crucial that the operations and determinations of our national standards regulatory mechanism, and the research activities that underpin it, should be clearly seen as objective and impartial. Whilst Labor agree to the passage of this legislation, I would like to signal now our firm intention to revisit this issue should we win the next election. We intend to revisit the national standards and measurement framework after we come to office. We must ascertain that the new framework established by this bill, the National Measurement Institute, which is to be located within the industry department, actually performs satisfactorily the functions ascribed to it.

So Labor will review these measures and the research functions related to the measurements currently carried out by CSIRO, to ensure that the capacity of independent, high-calibre research and advice has been retained and been improved. Frankly, in this regard, I am not persuaded at this time that the reallocation of the functions of the Na-
ional Measurement Laboratory outside the CSIRO is appropriate, nor am I persuaded that the removal of statutory independence of these agencies is appropriate. Labor will re-examine the regulatory functions of the National Measurement Institute to ensure that objectivity and integrity do prevail and are seen to prevail. We will also review the role of chief metrologist and the relationship between that role and the functions of both the minister and the secretary of the department. We will review the enforcement and disciplinary functions of the new institute to assess whether these functions are satisfactorily located in the body as established. We will also examine the hands-on services and product development currently provided by the Australian Government Analytical Laboratories.

The opposition welcome the opportunity to address some of these important and complex issues in the area of national measurement, regulation and standards setting in terms of research and product development and the provision of analytical services. These are matters fundamental to our economy, to our capacity to trade and to our legal framework. We are very concerned to make sure that these things are done properly and we are determined that they will be done properly under a Labor government. Once we come to government, Labor will look to revisit these issues carefully to consider the structures and frameworks that deliver these functions. Labor provide the assurance that, if the new arrangements established by this bill are found wanting, they will be revisited with the priority they clearly deserve.

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (1.37 p.m.)—I thank Senator Carr for his interest in the National Measurement Amendment Bill 2003 and the National Measurement Institute. I believe this new institute will significantly advance Australia’s research and innovation in measurement. I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

Sitting suspended from 1.38 p.m. to 2.00 p.m.

QUESTIONS WITHOUT NOTICE

Defence: Intelligence

Senator FAULKNER (2.00 p.m.)—My question is directed to Senator Hill, representing the Prime Minister. Can the minister confirm that the review of intelligence agencies requires Mr Philip Flood, to quote the Prime Minister, ‘to provide advice on … the adequacy of current resourcing of intelligence agencies and in particular ONA’? Is the minister aware that Mr Flood, while he was the Director-General of ONA, cut the entire staff expertise in the field of chemical and biological weapons proliferation, a specific area found lacking in ONA’s assessments of Iraq WMD intelligence? At the time didn’t Mr Flood assert that this was done to reorder staffing priorities within the agency and not because there were any doubts about the competence of the job being done? Indeed, didn’t the key WMD analyst axed from ONA later serve with great distinction in Iraq with UNSCOM and UNMOVIC?

Senator HILL—I do not know about his policies whilst within ONA. I do not think that is surprising. I will seek advice on that. I have to say, however, that I do not understand why the Labor Party wants to undermine the appointment of Mr Philip Flood. He is a very distinguished Australian. He headed up the department of foreign affairs, he headed ONA and he was our high commis-
sioner to London. My memory is that he headed up the predecessor to AusAID. He has a very wide experience in foreign policy and intelligence agencies. He was appointed to these high offices by our government and by Labor governments. I would have thought he was a most appropriate appointment.

The fact that the Labor Party want to undermine his work before it starts can only suggest some base political motive within these attacks. It seems that the Labor Party, having demanded the inquiry and having described the sort of person that they wanted to conduct the inquiry—which description fits Mr Flood aptly—now seek to discredit his work before it has even commenced, presumably because they feel that there is no further mileage that can be made out of the WMD issue unless they seek to create another issue. So the issue at the moment is the suitability of Mr Flood and, when he brings down his report, they will then seek to discredit the report on the basis of the case they have made in relation to Mr Flood himself. I think this is a most unfortunate way in which to approach a matter of important national significance.

We obviously want our intelligence agencies to be appropriately funded and to be appropriately staffed. Their role and function are most important in this country. I would have thought that that was beyond dispute. It is certainly the approach of this government. We are looking at his inquiry and his report to be constructive contributions towards ensuring that we have the intelligence gathering and analysis capability within this country that is necessary to contribute appropriately to our security in these very uncertain times.

Senator FAULKNER—Mr President, I rise to ask a supplementary question. Given that the minister was unable to answer the question that was asked and proceeded to answer another question, perhaps as he is checking these matters out he can establish whether Mr Flood informed the Prime Minister before he accepted the review task that, in a former incarnation, he put an axe through ONA’s WMD assessment capability. Given that this is now the second major review the Howard government has handed to Mr Flood, will the minister ensure Mr Flood’s true independence by guaranteeing the Senate that he will not be considered for any further government reviews or tasks at any future time, in a similar vein to the strictly tenured appointments of auditors-general?

Senator HILL—It is most offensive the way in which the Labor Party is seeking to discredit Mr Flood. What is in this for Mr Flood but a willingness to serve the Australian community—a retired senior official with a highly distinguished reputation? What the Labor Party now wants to do is to publicly discredit him, simply because he has been asked to do an inquiry by this government—ignoring the fact that he was a chosen appointment of the previous Labor government’s, if my memory is correct. When he was put in as head of ONA it was by former Prime Minister Mr Keating. Obviously, Mr Keating thought he was a suitable person for that very high office. We think he is a suitable person for this task that he has been given. We have confidence in him and we look forward to his report, which we believe will be in the national interest.

Howard Government: Health Policy

Senator KNOWLES (2.06 p.m.)—My question is addressed to the Minister representing the Minister for Health and Ageing, Senator Ian Campbell. How has the government’s responsible management of the economy allowed it to make significant investments in providing better health services for
all Australians? Is the minister aware of any alternative workable policies?

Senator IAN CAMPBELL—Thank you to Senator Sue Knowles for a very important question. You can only have good health policy and good health care policies if you have got good economic management. One of the great achievements of the government up to now has been to have economic management which has delivered sound, continued and sustained economic growth—economic growth, in fact, that is the envy of the rest of the world. Through the Asian financial crisis, the SARS challenges and a whole range of international challenges in many other countries in the world where we have had negative growth and recession, we have been able to deliver sound economic growth. The government has, as Senator Knowles knows, done the hard yards on policy, opened up the economy, delivered a new tax system and, through all of that, been able to grow the economy and create expanding economic opportunities for all Australians.

There is no better way of describing that than through the employment figures. The new figures for unemployment came out today showing it is below six per cent. When Labor left office, unemployment was 8.6 per cent. It hit double figures for some time during Labor’s regime. In fact Labor engineered a recession, took credit for having a recession and got Australia into a situation where a million people were out of work. On any basis, having a million unemployed, a million homes—

Senator Robert Ray interjecting—

Senator Kemp interjecting—

The PRESIDENT—Order! Senator Ray and Senator Kemp, you know that shouting across the chamber is disorderly. I call you to order.

Senator IAN CAMPBELL—They do not like being reminded of the fact that the Labor Party in government engineered the unemployment of over a million people—a million homes without breadwinners. That is not very healthy for the nation. By contrast, the good economic management of the Howard-Costello government—the coalition government—has seen another million people come back into work. That is very healthy for those households, but it is also healthy for the economy. We have, as a product of that good economic management, been able to reduce Australia’s debt. For example, when we saw the Labor Party leave office at the beginning of 1996, debt in Australia was touching $96 billion. The accumulated deficits of Labor’s out of control spending and tax policies drove Australia into debt, and $96 billion of debt was the black hole that was left in the budget when they left office.

Running surplus budgets and applying the proceeds of privatisations to debt repayment have seen us reduce debt to around $30 billion. That has freed up money. Under Labor, for example, they were paying $7.8 billion just in repaying interest on the debt. That has come down to $3.6 billion, so it has freed up, just on that figure alone, $4.2 billion which can now be invested in programs such as health care. It has enabled us to improve rebates and ensure that under the package that is going through the Senate today—the new $7.50 rebate for people seeing general practitioners in non-metropolitan areas—a whole raft of measures so that people with critical, chronic and complex illnesses can now get assistance from podiatrists, physiotherapists and even dentists to assist them in the management of their health care. These are things that would not be possible, to respond to Senator Sue Knowles, if you did not have sound economic management delivering growth, lower interest rates, lower taxes, and better social outcomes and social policy. (Time expired)
National Security

Senator BOLKUS (2.10 p.m.)—My question is to Minister Ellison, representing the Attorney-General. Can the minister confirm that yesterday the government applied to the High Court for a closed hearing in the matter of convicted former DIO officer Simon Lappas on the basis that an open hearing could result in the disclosure of security sensitive information? Can the minister confirm that the High Court described the government’s application as ‘totally misconceived’ and observed that: the only information ‘that could possibly prejudice the security of the Commonwealth’ was contained in the application filed by the government; this information was ‘an irrelevancy and should never have been included in the application book’; and, the government had thereby ‘created an issue concerning security that did not previously exist’. How does the minister explain this bungle, and what steps will he take to ensure the government does not mismanage such security sensitive information in the future?

Senator ELLISON—It is no secret that in the current environment that the introduction into our courts of sensitive information is of great concern. In fact, countries such as the United Kingdom are looking at this very issue. Recently the Attorney-General, Philip Ruddock, stated that we were going to look at this and that, if it required amendment, we would put that in place. What we have to look out for is not only the judicial system which is essential to the rule of law but also the security of this country. Obviously, if there are some security aspects which the opposition is not even concerned about, we should be responsible in the way we approach matters which are litigated in open court.

I will take those matters up with the Attorney-General; I will take those matters on notice. But I do remind the opposition that where you have matters of national security you have to approach it with sensitivity and responsibility. We are looking at this across the board as to how evidence can be brought into a court of law where that could be of some national security sensitivity. We are not the only country in the world that is looking at this.

Senator BOLKUS—Mr President, I ask a supplementary question. In asking the question, I also note that it is not the opposition that is making these damning criticisms of the government; it is the highest court in this country. Is the minister aware that former Attorney-General Williams issued a media release in April last year in which he said: The Government takes the protection of classified information very seriously ... the misuse of national security information has the potential to place the lives of individuals and the security of the nation in jeopardy.

Minister, why did the Howard government abandon this policy when preparing its ‘totally misconceived’ High Court application in the Lappas case?

Senator ELLISON—The Senate should remember that Senator Bolkus has been the subject of comment in relation to his handling of Federal Court documents. I think that the sort of concern that Senator Bolkus expresses is somewhat shallow in relation to that aspect. When you look at the history of that—

Senator Bolkus—Mr President, I rise on a point of order going to relevance. The question goes to the handling of high-security information by this government and a damning criticism by the highest court in this country. I ask the minister to take the question seriously.

The PRESIDENT—Senator Bolkus, I cannot direct the minister as to how to an-
answer a question but I ask him to return to the question and to attempt to be relevant.

Senator ELLISON—Mr President, it is relevant. The opposition are making out some sort of concern as to the way the government has handled an application to the High Court. The opposition should look at the way they conducted themselves. We do take this matter seriously. I will get back to the Senate on those aspects which I have said I will take on notice. This is an issue which we are addressing—something which the opposition has not even devoted any attention to.

Resources: Investment

Senator BARNETT (2.15 p.m.)—My question is to the Minister representing the Minister for Industry, Tourism and Resources, Senator Minchin. Will the minister advise the Senate of recent indicators of the strength of Australia’s resources sector? What action is the government taking to encourage further investment and jobs in this sector? Is the minister aware of any threats to this strong performance?

Senator MINCHIN—I thank Senator Barnett for that good question. As the Senate knows, this government’s highest priorities are growth, investment and jobs. Today we had another very good unemployment figure of below six per cent—an outstanding outcome. Our world-class resources sector is a major contributor to that growth. It is our biggest exporter and employs 83,000 Australians, most of them in regional areas. It is good news for regional Australians that ABARE’s latest Australian commodities forecast predicts export earnings from this great resources sector to be $58 billion next financial year, an increase of 11 per cent on this year. ABARE expects that growth to continue through the medium term.

These forecasts of exports are warmly welcomed by workers employed in the great resource projects that we have around this country such as the $1.4 billion Comalco alumina refinery currently under construction in Gladstone. In 2001, it was our government that granted a $130 million strategic investment incentive to secure that refinery for Australia against competing foreign locations. That incentive is the only reason this project came to Australia. With stage 1 alone, this investment has secured over 1,500 direct construction jobs and 450 direct operational jobs and the full project could bring a potential economic benefit to Australia of $4½ billion. These are great projects for which you would expect to get bipartisan support, but of course with this opposition that is not the case.

As part of the anti-business Labor agenda from those opposite, they have announced that they are going to axe the strategic investment incentive process, a process that secures for Australia footloose resource projects such as the Comalco project and so far has attracted $6 billion in investments and up to 6,300 jobs for this country. If federal Labor were in charge, we would not have the Gladstone refinery, we would not have an investment incentive process and we would not have all the jobs and economic benefits that that is going to produce.

On top of that, just yesterday the spokesman for the opposition on mining, energy and forestry, a Mr Joel Fitzgibbon, issued a threat to Australia’s energy companies by saying that a Labor government would confiscate leases over vast offshore gas reserves held by these companies if they were not exploited within a time frame that he would decide. In his own words, he is going to tell them to ‘use it or lose it’. We have again seen from this Mr Fitzgibbon just how dangerous a Labor government would be to Australia’s economic prospects. Mr Barry Jones—not the spaghetti and meatballs Barry Jones but the chief executive of APIA—came out
straightaway and slammed these ridiculous plans from Mr Fitzgibbon. Mr Jones said:

These suggestions would undermine Australia’s credibility as an investment destination. We really do need to remember the investment cost to Australia when we last lost that credibility when Mr R.F.X. Connor was minister in the Whitlam government—

Whitlam being Mr Mark Latham’s great political hero. It seems this desire to emulate Mr Whitlam is permeating the whole of the Labor frontbench. If Mr Fitzgibbon were in charge of policy, there really would be serious problems for Australia’s mining industry.

We already know that Labor are going to rush in and sign the Kyoto protocol, which would be very damaging for Australia’s resources industries, even though Mr Latham ran around in Cunningham in 2002 saying that he totally opposed the Kyoto protocol and that that is why people should not vote for the Greens. Labor have already announced plans to slug the mining industry with another $400 million in tax increases. They are going to reregulate industrial relations and abolish A W As. A Labor government would be disastrous for Australia’s great resource industries and threaten our $58 billion annual exports.

DISTINGUISHED VISITORS

The PRESIDENT—I welcome to the chamber representatives from universities right across Australia. I hope you enjoy your visit here and the opportunity to observe the way your politicians act in question time.

QUESTIONS WITHOUT NOTICE

Defence: Equipment

Senator CHRIS EVANS (2.20 p.m.)—

My question is directed to Senator Hill, the Minister for Defence. Minister, did the government consider the needs of Australian industry when it agreed to spend $550 million on second-hand tanks without a tender process? What local production arrangements have been put in place in terms of this acquisition? Is it true that the ammunition for the current Leopard tanks is manufactured here in Australia by an Australian company but all of the ammunition for the Abrams tanks will be imported from the United States? Given that there appears to be nothing in this deal for Australian industry and that delivery will not be until at least 2007, can the minister indicate why he refused to undertake a fully transparent and accountable tender process for this major acquisition project?

Senator HILL—You could ask the question: does Labor support tanks to protect our infantry or does it not? In the last two years of this government has Labor produced one single defence policy? No—just carping, whinging and whining but never anything constructive. This government is pleased that in a timely way it has acted on the advice of the CDF and particularly on the advice of the leaders of the Australian Army that our infantry need protection in the field from a modern tank, that armour is necessary to protect infantry from the consequences of shoulder-fired, man-held, anti-armour weapons and that it should be obtained promptly. In other words, the existing Leopard tanks are too vulnerable and need to be replaced.

Senator Faulkner interjecting—

The PRESIDENT—Order! Senator Faulkner, you know that shouting is disorderly.

Senator HILL—The next issue relates to why the Abrams tank was chosen, and I know the Labor Party does not like it because it is made in America. If the Leopard tank had been chosen, if the German manufactured tank had been chosen, it would have been a much more muted response. But the concept of the ADF getting the best tank available in the world—which is the American tank—is too much for this Labor Party,
under the leadership of Mr Latham, to withstand. Why was it chosen? As I said, it was chosen on the basis of the professional advice from our military that the Abrams Eames M1A1 is the best tank available from anywhere in the world to do the job. The second issue relates to a comparison of the costs. The acquisition cost of the Abrams was the lowest of the three that were looked at. I would have thought that Labor would have applauded the fact that we could get a lower acquisition cost than for the German Leopard. The deal that was offered by the United States, through the FMS project, includes all the logistical support, training and ammunition, as I said yesterday, in a way that Australia gets exceptional value for money. Is that what Labor is knocking?

Senator Chris Evans interjecting—

The PRESIDENT—Senator Evans, you have asked your question. I reminded you yesterday that, when you ask a question, you are heard in silence and you are supposed to hear the answer in silence, so interjecting does not help.

Senator HILL—Why does Labor not want the best deal, a deal under the FMS? Because it is a deal, of course, with the United States of America. Why should we be embarrassed about the fact that our strategic relationship with the US gives us the opportunity to get a product such as this on an exceptionally good basis—not only the initial purchase price but the whole-of-life support cost? It ought to be something that should be applauded. Why is it not being applauded? Because the deal is being done with the United States of America. And we remember Mr Latham’s personal attacks on the President of the United States of America. And what did he say? Does the Labor Party remember what he said or has all that been forgotten with the new Mr Latham? History is in the dustbin. The new Mr Latham is going to head off to America. Guess who he is taking with him. Mr Beazley. You would think he would take Senator Evans to help him with strategic policy. No, he is keeping close to Mr Beazley and Mr Beazley has to take him down the corridors of power in the White House, ease the way in and on the side, of course, apologise for the foul mouth of the new Leader of the Australian Labor Party. Here we have the best tank that could be bought at the best price, with the best support package—and that is something that should be applauded. (Time expired)

Senator CHRIS EVANS—Mr President, I ask a supplementary question. The minister said that this was the best deal available to Australia. Can the minister explain to the Australian public why it is the best deal to pay new vehicle prices to buy 20-year-old second-hand vehicles from a dealer, who admits it is a gas guzzler, says he has wound back the speedo to zero and we know it is too heavy to drive up the driveway?

Senator HILL—Would Mr Latham take Senator Evans, who is doing his best to discredit the best tanks in the world? The answer to Senator Evans’s question is: the United States of America itself is refurbishing these tanks as front-line tanks for its forces. It was the M1A1 tank which led the American forces so successfully into Iraq that provided protection for US forces on the ground. It did that task superbly. These tanks will be a more updated version of that tank than what the Americans had in the most recent of all conflicts. So if it is good enough for the front-line troops of the United States of America, I reckon that is a reasonable case for saying that it is good enough for the ADF. That is certainly the view of the ADF. This is the tank they want and they are thrilled that they have a government that does not just talk about it for years but actually delivers the product they need. (Time expired)
Research and Development: Backing Australia’s Ability Initiative

Senator STOTT DESPOJA (2.27 p.m.)—On this ‘Universities Meet Parliament’ day, my question is addressed to Senator Vanstone, the Minister representing the Minister for Education, Science and Training. Is the minister aware of the fact that in 2002 Australia was ranked 13th out of 22 OECD countries when it came to expenditure on R&D? We spend 1.48 per cent of GDP on R&D—well below the OECD average of 2.17 per cent. Will the minister today assure the Senate that the R&D package that will follow Backing Australia’s Ability—which is due to run out in 2005-06—at least maintain, if not increase, the final year’s level of investment in R&D and will that enable universities to continue their valuable research programs?

Senator VANSTONE—I thank Senator Stott Despoja for her question. She has a long-standing interest in education, albeit her views are almost diametrically opposed to mine and, consequently, to the government’s. As we have been concentrating slightly on the United States earlier in question time—I do not hold that against you, Senator. As I often say, the voice of dissent is the bell of freedom. I welcome your different view, Senator. I thank you very much for bringing to everyone’s attention the Backing Australia’s Ability program. As to the details of your question, I will get an answer from Dr Nelson and I will give it to you as soon as I possibly can.

Senator VANSTONE—I thank Senator Stott Despoja for her question. She has a long-standing interest in education, albeit her views are almost diametrically opposed to mine and, consequently, to the government’s. As we have been concentrating slightly on the United States earlier in question time—I do not hold that against you, Senator. As I often say, the voice of dissent is the bell of freedom. I welcome your different view, Senator. I thank you very much for bringing to everyone’s attention the Backing Australia’s Ability program. As to the details of your question, I will get an answer from Dr Nelson and I will give it to you as soon as I possibly can.

Senator STOTT DESPOJA—Mr President, I ask a supplementary question. I thank the minister for that undertaking, and I suspect the presence of vice-chancellors is having a good influence on us both, but I also ask the minister, when she speaks to Dr Nelson, to get an undertaking from him. Will he provide new funding—additional funding—under that Backing Australia’s Ability II package and will he give an undertaking that the government will not decrease that final year’s allocation for research and development in our universities and thus they can continue those valuable programs that they are already providing under BAA I?

Senator VANSTONE—Senator, you can speak for yourself as to whether you change your personality and behaviour depending on who you are in front of. I have a number of redeeming features, some of which are hidden but one of which is always obvious: you get the same person on Monday as you do on Tuesday, Wednesday, Thursday and Friday. But thanks for tipping us off that you are Miss Goody-Two-Shoes on some days and not on others. I am not going to ask Dr Nelson for an undertaking. An undertaking to people with legal training might mean a bit more than it does to you. I will refer your question to him. If he has something that he wishes to pass on to you, I will be the conduit for that to come back to you.

Indigenous Affairs: Funding

Senator O’BRIEN (2.31 p.m.)—My question is to the Minister for Immigration and Multicultural and Indigenous Affairs, Senator Vanstone, and concerns the legality of ATSIS expenditure. I refer the minister to her answer last week in which she said, ‘If ATSIC were confident that their legal advice entitled them to challenge the government’s actions they would have done so,’ and yesterday’s decision by the ATSIC board to resolve the legal uncertainty surrounding the creation of ATSIS by launching such a challenge. Now that the minister has received a copy of advice to the ATSIC board from David Jackson QC, has she further reviewed the advice to her predecessor, Mr Ruddock, that warned the government that ATSIS may be unlawful? And, Minister, why won’t you announce the government’s response to the
$1 million ATSIC review and resolve the crisis enveloping ATSIS, a crisis that casts doubt over more than $1 billion in Indigenous funding?

Senator VANSTONE—I thank the senator for the question. Yes, I have had the opportunity to look at the advice. If you have reflected on it yourself, you might see that Mr Jackson QC has said there was a question about whether the enactment of the ATSIC Act prevented the establishment of a new body but did not in fact offer an opinion on it. He did not offer an opinion on that question. With respect, you may be misleading people by suggesting that Mr Jackson’s opinion in some way casts doubt. It does nothing of the sort; it simply says there is a question.

You might be interested to know—you might have an opinion that I do not—that I have written to ATSIC today asking for the initial legal advice they sought on this matter. The rumour mill has it that the initial advice ATSIC received said that the government was on 100 per cent rock solid ground. That is paraphrasing, of course; I am sure you would not pay for legal advice that said that.

Senator Robert Ray—Rumour?

Senator VANSTONE—Let us just wait and see. ATSIC might feel free to put that advice out as well. Senator, if you were concerned about this, you would have been concerned about Labor’s transfer of health programs out of ATSIC earlier as well. Let me make this point: this decision was made months and months ago. I am aware of the decision made by the ATSIC board yesterday. I understand that Mr Clark, who is suspended, was nonetheless a part of these discussions. I have just one remark with respect to the ATSIC shenanigans that are going on at the moment: I have but one intention while I have this job, and that is to make sure that the money that is spent on Indigenous affairs gives value to Indigenous Australians. I will not be deflected from that by any shenanigans that you, ATSIC or anyone else gets involved in.

The PRESIDENT—I remind the minister to address her remarks through the chair.

Senator O’BRIEN—Mr President, I ask a supplementary question. Can the minister assure the Senate that no direct or indirect punitive action will be taken by the government or its agencies against the ATSIC board, individual commissioners or ATSIS funded organisations for the decisions made at yesterday’s ATSIC board meeting, including the decision to withdraw the delegation of the CEO? Will she assure the Senate that no direct or indirect inducements will be offered by the government or its agencies to influence actions of ATSIC commissioners in this matter? Minister, if threats of punitive action were made or inducements offered in respect of decisions of a commission established under the laws of this parliament, would they not constitute acts of serious impropriety?

Senator VANSTONE—Frankly, I regard that question as a disgrace—Senator O’Brien—Answer it.

Senator VANSTONE—I will answer it. I will answer it when—Opposition senators interjecting—Senator VANSTONE—You might have something else to say. You obviously do not want to listen to the answer. If you ask a question and talk back, you can wait for an answer.

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

Environment: Antarctica

Senator BROWN (2.35 p.m.)—My question without notice is to the Minister representing the Minister for the Environment and
Heritage. Does the government recognise Antarctica as the world’s greatest remaining wilderness and wildlife refuge and will the government move, through the Antarctic Treaty organisation, to nominate Antarctica for World Heritage status and to establish its recognition officially as a world park?

Senator IAN MACDONALD—Senator Brown’s question raises the issue of Antarctica and the Australian Antarctic Division’s interest in Antarctica. As Senator Brown rightly says, it is perhaps the last pristine or almost pristine area in the world, either land or sea. Senator Brown will be aware of the government’s interest, through my portfolio, in maintaining the biodiversity of the marine ecosystem in waters in the Southern Ocean around Antarctica. That is why this government is so determined to protect our borders around the Australian territory of Heard and McDonald Islands, and that is why we go to such extreme lengths to attack the illegal, unregulated fishing in the Southern Ocean.

To that end, the government has announced a $100 million addition to the Customs fleet to have a civilian patrol vessel, an armed patrol vessel, down in the Southern Ocean not only to protect Australia’s economic interests but also, perhaps more importantly, to protect that very pristine biodiversity down there.

The Australian government have, as Senator Brown would know, set up a marine park down there and for that I am very proud to say that we have received the highest WWF award, the Gift to the Earth award. Senator Brown talks about a World Heritage listing for Antarctica. I will have to get you some legal advice on what would be appropriate. Antarctica, as you know, is to a degree claimed by Australia and by several other nations. I have to say—and, again, Senator Brown will probably know this—that claims to the Antarctic mainland are recognised only by those countries making the claims and that other countries, like the United States, do not recognise any national interest in the Antarctic mainland itself. Given that situation, I am not sure whether Australia could—even if it were inclined to—nominate the Antarctic as a World Heritage park, but I will obtain some legal advice on that and let Senator Brown know. We do under the Antarctic treaty, the Madrid protocol, have very strict rules for the protection of the Antarctic mainland and the seas, which all signatories to the Madrid protocol adhere to as best as we understand.

One difficulty—and it has come up again in relation to the oceans; I am familiar with that and I assume the same applies on the mainland—is that, even though the rules are made, who enforces them if they are broken? Whilst Australia does have an EEZ around its claimed territory on the Antarctic mainland, it does not have a fishing zone in that EEZ. That means that we do not have a lot of ability to enforce the CAMLAR rules or the Madrid protocol rules in that area. That raises with me the question of whether we should apply for an AFZ on the EEZ around the Antarctic mainland claimed by Australia. If we had that, we could enforce the rules CAMLAR makes. I suspect declaration as a World Heritage area is not necessary, but that question gets into a technical capacity that I am not competent to answer. I will get an answer for you on it. (Time expired)

Senator BROWN—Mr President, I ask a supplementary question. I thank the minister for his answer. I ask him if he would look, in getting that legal advice, at the potential for the Antarctic treaty organisation through goodwill itself to come to the arrangement of putting forward a nomination for listing to the Bureau of the World Heritage Committee. I ask the minister: is he aware of changes occurring in Antarctica as a result of global warming and, if so, of the potential impact of these on Australia and indeed the planet?
Senator IAN MACDONALD—I will try and get that further advice for Senator Brown. I suspect that World Heritage listing would not take Antarctica any further ahead. It is already protected under the Madrid protocol and my guess would be that it would not add much to it, but I will get an answer on that and report back to you. On the issue of global warming: coincidentally I was just before lunch talking to some people from the CRC for Antarctic Climate and Ecosystems, so I am very well aware of the impacts of global warming, particularly as they relate to Antarctica. I know a lot of work is being done. The Australian government are very concerned about climate change, and in some many ways we have become involved in the process and we are joining with other responsible nations to address that in the best way possible. Again, I will try to respond to Senator Brown’s more specific and detailed questions in a written answer.

Trade: Free Trade Agreement

Senator CONROY (2.41 p.m.)—My question is to Senator Minchin, the Minister representing the Treasurer. Is the minister aware of comments in today’s Australian Financial Review by Mr Bill Carmichael, a former chairman of the Industries Assistance Commission, that with regard to the Australia-US FTA:

There is considerable public uncertainty about the outcome for Australia despite (perhaps because of) the spin being placed on it by those whose job it is to sell the agreement.

... ... ...

That is why the Productivity Commission must now be asked to provide a public assessment, at arm’s length from the spin being placed on the outcome for Australia.

Does the minister agree with Mr Carmichael’s comments? When will the government refer the deal to the Productivity Commission for an arm’s length assessment of whether it is in Australia’s national interest?

Senator MINCHIN—I have not seen Mr Carmichael’s comments, but I will look at them after question time and read them with interest. I am a great supporter of the Productivity Commission; I think it does great work. What staggeres me is the continued opposition by the Labor Party to what is one of the most enormous and significant opportunities this country has ever been handed. It is quite extraordinary that the greatest and strongest economy in the world has decided to offer to Australia—alone among developed countries—a bilateral free trade agreement of the significance and size of the one that it has. It would be an extraordinary tragedy for Australia if as a result of this opposition’s game playing and cynical political opportunism Australia was to say to the greatest economy the world has ever seen, ‘Thanks but no thanks.’ What an extraordinary legacy we would hand to our children if we were to slap the United States in the face and say, ‘Thanks for the offer, fellas, but we do not want your free trade agreement.’ What a dreadful outcome for Australia that would be, and what a dreadful result of the opposition playing games with this most important agreement it would be.

The benefits to Australia are manifest. I have said on many occasions, as a senator for South Australia, that the benefits for my state are manifest. It will be on the heads of those in the opposition if they deny to South Australians the extraordinary benefits that will accrue to companies like Holden, which will be able to export their utes to that market without the 25 per cent tariff; to the workers of Port Lincoln Tuna Processors, who will be able to export their canned processed tuna into that market without the 35 per cent tariff that now applies; to the wine industry, which will be able to export wine to that vast market without the 11 per cent tariff that cur-
rently applies; and to companies like Codan, which will have access to the $250 billion US government procurement market that is now much tougher to get into.

This is a huge opportunity for Australia. All that we can argue about is the extent of the benefit. It is impossible in logic to say that there can be any disadvantage to Australia by entering into this agreement. It is an extraordinary proposition to put that there could be any disadvantage. All that we can argue about is the size of the benefit to Australia. The size of the benefit to Australia will be a function of the dynamism, inventiveness and entrepreneurship of the Australian companies that stand to benefit from the opportunities that will be given to them to enter this market in a way they have not been able to do before.

We are getting the Centre for International Economics to do a study. They are the appropriate body; they did the original study. They are going to have a look and do an appropriate study and try to model benefits. But, as many economists have said in many columns on this issue, in trying to measure the net benefit you are dealing with the dynamics of the entrepreneurial reaction by Australian business to the opportunities that are going to be offered to them—the extent to which a company like Holden will be able to market its products in America without that 25 per cent tariff and companies like Codan, tuna processors and the wine industry. All of these great companies will now have the door open to them in a way that it has not been open before. The extent of the benefit will be a function of that. We want to get off the back of the companies and give them the greatest opportunity to take advantage of the opportunities that will present to them as a result of this great agreement, and be it on the heads of the Labor Party if they sink this great agreement with their cynical opportunism.

**Senator CONROY**—Mr President, I ask a supplementary question. What have you got to hide? If it is as good as you say it is, give it to the Productivity Commission. Is the minister also aware of comments by Mr Carmichael about the appointment of CIE, which came up with the initial $4 billion figure, to now model the final deal? Mr Carmichael said:

It has to be asked whether the government’s motivation is one of controlling the information available to us so that nothing gets in the way of the spin it is placing on the agreement.

Minister, why has the government appointed CIE to model the final deal and why are you so afraid of referring it to the Productivity Commission for its independent assessment?

**Senator MINCHIN**—It is an immediate and unfortunate slur upon CIE to suggest that it is not going to provide an independent analysis of this agreement. As I have said, I have great respect for the Productivity Commission, but CIE did the original study. It is obviously sensible and appropriate to now give it the full text of the agreement and for it to provide us with the modelling to determine the extent of the benefit. This is a highly reputable organisation, a great economic institute, which will do an outstanding, professional, independent job in measuring the extent of the benefit to Australia of this great agreement.

**DISTINGUISHED VISITORS**

**The PRESIDENT**—Order! I draw the Senate’s attention to the presence in the gallery of the former honourable senator Grant Tambling, the current Administrator of Norfolk Island. On behalf of honourable senators, I welcome you back.

**QUESTIONS WITHOUT NOTICE**

**Australian Labor Party: Centenary House**

**Senator HUMPHRIES** (2.48 p.m.)—My question is to the Special Minister of State, Senator Eric Abetz. Will the minister advise
the Senate of the current financial implications of various leases entered into in the Barton area of Canberra between 1989 and 1994? Will the minister also inform the Senate of the government’s response to the ANAO recommendations against ratchet clauses in leases?

Senator ABETZ—I can inform Senator Humphries that I have been examining leases in Barton entered into by the previous Labor government between 1989 and 1994. The examination was undertaken with an eye to the vital elements of any lease: the initial term and options for renewal, the frequency and basis of rent reviews and the cost at commencement. I can inform Senator Humphries that the following was revealed. A building owned by the Salvation Army at 2 Brisbane Avenue had a six-year lease with no renewal option. It had its rent reviewed to market rates every two years with no ratchet clause. It had an initial rent of $325 per square metre. Another building, owned by the Australian Democrats at the time, at 10 Brisbane Avenue, had a five-year lease. It had its rent reviewed to market rates every two years with no ratchet clause. It had an initial rent of $250 per square metre.

The general lease terms during that period were about five years and options were very hard to come by, although I note that the Democrats got one. The rent reviews were every two years to market rates. So senators can imagine my surprise at noting a lease for 10 years with a six-year option and another for 15 years with a five-year option. At the time they were signed, both leases contained the highest commencement rent: $327.50 in one case and one substantially higher, more than 10 per cent higher, at $368 per square metre. However, honourable senators will understand my lack of surprise at finding that the two buildings in question with these favourable lease terms were owned by the Transport Workers Union and the Australian Labor Party respectively.

I table a chart that sets out 13 Commonwealth leases in Barton between March 1989 and December 1994. One landlord stands out as having achieved the longest lease term, the highest commencement rent, the only annual rental review and the only guaranteed annual rental increase. Guess who that landlord was. Mr Latham’s Labor Party, the same Mr Latham who said on 17 September: Only Labor ... stands for competitive capitalism—open, free and fair trading, where companies are treated on their merits rather than on the striking of special deals and favouritism.

If the Centenary House lease were to be judged on Mr Latham’s own professed standards the rort would be stopped today. The lease was a rort in 1993. It is an even worse rort today. A Labor government signed a lease of its party’s national headquarters on outrageous terms in 1993, with clauses ensuring that the outrage compounds each year. Yet the would-be Prime Minister sees nothing wrong. The reason Mr Latham is blinded to this rort is the rivers of gold provided to Labor’s election coffers. I am sure that the University of Tasmania would like to have a $36 million income stream. I might add that the Transport Workers Union just happened to donate $340,000 to the Australian Labor Party during the last financial year. Mr Latham owes an explanation to the Salvos, to the Democrats and to the Australian people about this rental rort, how it came into existence and how it justifies—(Time expired)

Senator HUMPHRIES—Mr President, I ask a supplementary question. Can the minister give the Senate more information about the government’s response to the ANAO recommendations against ratchet clauses in leases?

Senator ABETZ—Senator Humphries is quite right to mention ratchet clauses be-
cause at the very heart of the Centenary House rort is the ratchet clause, which allowed a nine per cent per annum increase each and every year. I just happened to be browsing through old ANAO reports the other day, and what should I find? In 2001 the ANAO said about ratchet clauses:

Agencies should seek to avoid ratchet clauses ... to ensure that they are only exposed to normal market rentals.

The effect of a ratchet clause ... prevents a 'true market' rental being reflected in subsequent rent reviews ...

What could the ANAO possibly be thinking of with comments like that? We all know what they were thinking about: Centenary House and the rental rort rip-off over which Mr Latham now presides. Mr Latham needs to explain why the Salvos, the Democrats and the TWU were given—

(Time expired)

Superannuation: Children’s Accounts

Senator SHERRY (2.54 p.m.)—My question is to Senator Coonan, Assistant Treasurer and Minister for Revenue. Can the minister today inform the Senate of exactly how many children’s superannuation accounts have been opened under the Howard government?

The PRESIDENT—Senator Sherry, I remind you of standing order 72.

Senator COONAN—It is always a measure of how desperate the Labor Party are when poor old Senator Sherry has to trot out children’s superannuation accounts. Children’s superannuation accounts are one of the many measures this government took to the election to allow Australians a great deal of flexibility in how they are going to save for their retirement. Children’s superannuation accounts were one of about 10 measures—from recollection—designed to give Australians much greater flexibility in how they save for their retirement. The point of the measures, together with allowing women to contribute their baby bonus to superannuation, was to decouple superannuation from work so that it became a lifetime savings vehicle rather than a vehicle that was only related to employment. It was one of the measures designed to provide some flexibility.

Senator Sherry obviously cannot get through his head that this is not designed to provide an edifice in the superannuation system. It is designed to provide a way for children to benefit through the superannuation system, giving them the wonders of compound interest, for anyone who wishes to take advantage of it. People can contribute on behalf of their own child or on behalf of somebody else’s child. It is there to help grandparents. Senator Sherry does not know how many superannuation accounts have been opened because it is not a figure that is currently being collected. You cannot know how many accounts there are across all of the superannuation funds. You do not know how many funds have provided superannuation accounts for children. It is there as an option.

Of all of the superannuation measures this government has provided, this measure, together with co-contributions, is designed to assist low-income earners. The Labor Party fought the rollback of the surcharge every inch of the way—totally uncaring about the fact that people who can afford to save for their retirement will do so if they get an incentive. Children’s accounts, as I think I have said now about 50 times, is one of a number of measures that have been provided to Australians to allow them some flexibility.

Is the Labor Party taking issue with the fact that it is important that there be some flexibility in the superannuation system? If you look at the Treasurer’s announcement last week, this government is looking for-
ward—at how we can provide much more flexibility in the system, decoupling superannuation and work and even allowing people to work part-time and to access part of their super right across the spectrum. Whether you are a baby or whether you are about to retire, there is something in our superannuation system for you.

Senator SHERRY—Mr President, I have a supplementary question. I note that the minister referred to the Prime Minister’s description of the ‘wonders of compound interest’. Doesn’t the minister’s response represent the wonders of compound denial? It is a very simple question to the minister and, therefore, appropriately targeted. How many superannuation accounts for children are there in Australia? Why can’t you answer that question?

Senator COONAN—I have already said the figure is not collected. It cannot be known across every private sector fund and every industry fund—the figure is not available. Senator Sherry has had a go at trying to estimate it, which is about the only thing he does in superannuation. We all know that Senator Sherry wants to put his feet up; he does not want to work too long. The whole focus of the Labor Party is not to work too long—not to work as long as other people want to—

Opposition senator interjecting—You want him to work till he drops.

Senator COONAN—Certainly Senator Sherry will not be working until he drops.

Telstra: Infrastructure

Senator HARRIS (2.59 p.m.)—My question is to Senator Kemp, representing the Minister for Communications, Information Technology and the Arts. Minister, Telstra charges Internet service providers on a volume based discount structure. Under one of the highest levels of discount, the cost to an ISP purchasing the same 256 kbit service is approximately $40 per month, excluding GST. ISPs have no choice but to purchase from Telstra Wholesale. ISPs offering ADSL are, at a minimum, forced to purchase a tail, which is a twisted copper pair, to provide the service to the subscriber. Most ISPs also purchase the asynchronous transfer mode and link that to the relevant virtual circuit. Why are Telstra’s retail customers being charged $29.95 while Telstra Wholesale ISP providers are charged $40 for the same bandwidth?

Opposition senators interjecting—

The PRESIDENT—Order! Senator Harris, that was a very long question; I would ask Senator Kemp to give a shorter answer.

Senator KEMP—Thank you to Senator Harris for that most interesting question. I really appreciated the very short notice he gave me for it. I congratulate Senator Harris on his continuing interest in these matters. The point I would like to make is this: any concerns about anticompetitive behaviour by Telstra, or any other company, are really matters for the ACCC to address. As you would be well aware, Senator Harris, part 11B of the Trade Practices Act provides the ACCC with very strong powers to investigate and address alleged examples of anticompetitive behaviour in the telecommunications industry. I note the concerns of the people who have drawn this particular issue to the senator’s attention, and he may care to draw this matter to the attention of the ACCC. It is the best place to deal with these matters.

Senator HARRIS—Wait, there is more! Mr President, I ask a supplementary question. Minister, Telstra’s retailing arm is selling at least 25 per cent below the wholesale cost, claiming this is possible due to internal efficiencies. Why aren’t those efficiencies passed on to the wholesalers? Will your government commit to ensuring that Telstra
has greater levels of wholesale resale transparency in order to stimulate competition?

Opposition senators interjecting—

Senator KEMP—The senator would agree that over the years of this government the services of telecommunications have vastly improved, both to rural and urban areas. Part of it is due to the competitive elements that this government has brought into this area. I have already mentioned to the senator that there is a method by which these particular issues can be investigated. That is the best way to pursue them. Mr President, it was a bit hard to hear the entire question because of the noise on the other side of the chamber. However, I will look closely to see whether there are any other matters that we can particularly address, and I will make sure Senator Harris is appropriately informed.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Education: Abstudy

Senator PATTERSON (3.03 p.m.)—I wish to add to an answer I gave to Senator Ridgeway yesterday regarding crisis payment and Abstudy recipients. Under the Social Security Act, crisis payment is available to persons in receipt of a social security pension or benefit. Because Abstudy living allowance is not paid under the Social Security Act, crisis payment is not available to recipients of an Abstudy living allowance. Abstudy is a package of assistance for Indigenous students paid under policy guidelines issued by the Minister for Education, Science and Training. The package includes a range of payments designed to cater for the students’ individual circumstances. Persons receiving support under Abstudy also have access to rent assistance, remote area allowance and pharmaceutical benefits as paid under the Social Security Act. I am advised that Centrelink is undertaking community consultations on the operation of the crisis payment, and the issue of its application to Abstudy students has been raised. Centrelink will be providing the findings of its consultation to the Department of Family and Community Services and, through them, to me for consideration.

National Security

Senator ELLISON (Western Australia—Minister for Justice and Customs) (3.05 p.m.)—Today Senator Bolkus asked me a question about a proposed closed hearing of convicted former DIO officer Simon Lappas. I have sought further detail from the Attorney-General in relation to the matter. The Attorney-General has said he does not intend to comment on High Court procedures or the conduct of the DPP in the matter. He has stated that is a matter for the High Court and the DPP, which is an independent authority. He has added, however, that legislation will be introduced shortly which will deal with how classified or security material can be adduced as evidence in the courts.

ANSWERS TO QUESTIONS ON NOTICE

Question Nos 2209, 2210 and 2211

Senator CHERRY (Queensland) (3.05 p.m.)—Pursuant to standing order 74(5), I ask the Minister for Family and Community Services for an explanation as to why answers have not been provided to question Nos 2209, 2210 and 2211 which I asked on 10 October 2003.

Senator PATTERSON (Victoria—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (3.06 p.m.)—I am advised that question No. 2211 has been tabled today. I have a suspicion that question No. 2209 and question No. 2210 are with Minister Anthony’s office. I will check on
that. If they are not, I will get those answers to Senator Cherry as quickly as possible. I was not aware there were two more questions on notice.

QUESTIONS WITHOUT NOTICE:

TAKE NOTE OF ANSWERS

Defence: Equipment

Senator CHRIS EVANS (Western Australia) (3.06 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Defence (Senator Hill) to a question without notice asked by Senator Evans today relating to the Government’s purchase of tanks from the United States of America.

In his answer the minister tried to run his latest argument that, by attacking the purchase, we were somehow denying troops the protection that they need. Talk about the last refuge of the scoundrel. What this debate is about is whether the purchase is the best one for Australia, whether we have value for money and whether it meets our operational and strategic needs. That is a proper debate to have in this parliament; it is a proper debate to have in the Australian community. Labor have no qualms about the fact that the Abrams is a good tank, and we have no problems with the concept of hardening the Army. But the question here is whether this is a good deal for Australian taxpayers and whether it is a good deal for the ADF. It is hard to work that out when you know that there was no open competition. There was no tender process undertaken.

The government, after deciding as late as a couple of years ago that we did not need replacement tanks—they were not a priority—decided that we needed to purchase tanks. But they did not go into an open tender process. They did not look for a competitive process to decide that. There was no transparency about the process. Instead, we have an announcement that this sort of ‘mates rates’ deal is the best deal the government can get for Australia, that they are going to buy 59 tanks—a rather odd number—to replace the hundred or so they have currently at a cost of $550 million and that we all ought to be very happy about that. This is despite the problems that exist about whether we can transport it anywhere, whether we can get it over bridges, whether it is going to sink our landing craft and whether the fuel problems mean we will not be able to provide the logistical support for our tanks in the field. Despite all those problems we are expected to believe it is a good deal and just accept the government’s word. You might be inclined to do that if the government did not have such a poor track record—and here the Seasprite helicopter immediately comes to mind. That was the last time the government bought second-hand vehicles from the United States of America. We still have not got them operational and armed. We paid a billion dollars for them. They are very late in delivery and there are huge question marks about these Vietnam War veteran vehicles that we bought.

But the real question that I think has to be answered is whether or not we can assess this purchase against the purpose for which it was acquired. The government have been very uninterested and disinclined to debate the questions in relation to that. It was only a little while ago that the government said these tanks were not a priority; they were not part of our strategic need. And then they put out a defence update which said, ‘No, the threats have changed in Australia. We now have a new threat posed by international terrorism and we ought to change our defence posture in certain ways to respond to the threat of terrorism.’ I accept that. There is no doubt that that is a reasonable and rational assessment. What I have difficulty coping with is why the government suddenly bought a number of heavy second-hand tanks as a rational response to the rise in terrorism. I
just do not get it. I just do not see the justification.

The minister tells us that the threat of terrorism has changed Australia’s security environment. We accept that. Then he says our response to that is to bring forward as a priority the purchasing of a tank that is much heavier than the old tank when the general in charge of Army says he would have preferred a lighter tank and when there a whole range of question marks about our ability to use that tank effectively.

I accept that the Army has argued successfully for a hardening of the Army and the need for armoured support for the infantry. I do not have a problem with that, but the debate is about whether we bought the right tank at the right price and what the purpose of the tank is and whether it will meet Australia’s defence needs. There are a large number of questions surrounding these issues that have not been answered.

It seems to me this is very much a victory for the minister. He has argued to reject the traditional strategic view of the defence of Australia and involvement in our region in favour of creating a defence force whose purpose is to serve in far flung parts of the world as part of a sort of expeditionary force in concert with American forces—and we needed new equipment to do that. Quite frankly, this is what these tanks achieve. These tanks will assist us if the object is to deploy in support of American troops in far flung places of the world. But they do not fit with the traditional strategic view of Australia’s defence needs, and so it can only be interpreted as a significant victory for the minister’s view. (Time expired)

Senator HILL (South Australia—Minister for Defence) (3.11 p.m.)—Senator Evans raised a number of different issues; I will start with the last. There seems to be a distinction between the government and the Australian Labor Party in that the last thing we would want to do is to actually fight our battles on Australian shores. We would much prefer to resolve the issue before the problem reached Australia, whether that is within the region and the sorts of contingencies that we have had to address in the past or in some circumstances even further afield. Thus on the issue of terrorism we were prepared to send forces to Afghanistan, because Afghanistan had become the home of al-Qaeda, and to attack al-Qaeda, its command and its training organisation within Afghanistan was one of the key strategies to reducing its capability.

Whether it is nearby or further afield, where Australia fights will depend on where it is threatened. But we certainly do not dream of any tank line across the north of Australia and us fighting traditional tank battles. That might be a concept the Labor Party is still wedded to, but the rest of the world left the Australian Labor Party behind on that one a long time ago. These tanks are designed to provide better protection for the infantry—I have said that, and I will say it again.

The existing tanks are now too vulnerable, too lightly armoured in relation to modern man-operated anti-tank weapons, anti-armour weapons, that have proliferated. It is that increased risk associated with the proliferation of these weapons that is the basis of the urgency that is seen by Army in this matter. The position has not changed since 2000. In the 2000 white paper, the government said that Australia did not intend to have heavy armoured brigades; we were not going to fight tank battles in the desert. But we did say then that our forces needed to be protected. At that time it was believed that the armour of the Leopard 1s would be adequate. We have learnt in the last few years that the Leopard 1s armour is no longer adequate and something with heavier armour is necessary.
Why go to the M1A1? Because our Army, our professionals, our best advice says that it is the best tank in the world for the purposes for which we need it. I cannot see why we should be embarrassed by getting the best to protect our forces. We actually think that is a good idea. If you can afford it, then get the best.

It is true that General Leahy said that if we could get that protection with a lighter vehicle it would be a good thing, but Senator Evans also forgot to mention that General Leahy went on to say that there is no such vehicle available in the world today. In the decades to come, it might be possible as new forms of armour are developed—like everything else in defence, that technology is developing quite rapidly—but, at the moment, to provide that protection you need a tank of the M1A1 size. That particular variety offers the best tank for the purpose, so that is why there was a preference for it.

Fortuitously, the assessment made from within the department was that that tank was the best value for money as well, through the US Foreign Military Sales process. If we had gone down a different path—what Senator Evans refers to as ‘the more traditional tender process’—he would have been told that that tank won because it represented best value for money, not necessarily because it was the cheapest. But, when a whole range of factors were taken into account, including its acquisition costs, its whole-of-life costs and the capabilities that it had to represent, it achieved the best value for money. We took the advice of the professional experts in that regard. We are doing exactly what Senator Evans requires with respect to the information that is provided to government, upon which it makes its decision, but we are doing it in a slightly different way from that which he would have apparently preferred. But then we would not have been able to fairly compare it with the FMS process. It is true, as I said in question time, that we took advantage of our strategic relationship and we are not ashamed about that. (Time expired)

**Senator LUDWIG** (Queensland) (3.16 p.m.)—Senator Hill does not want to debate the whole issue; he only wants to tell us about part of the story on the tanks. Senator Hill has not explained that a transparent process that provides all that information would have been a far better course. There are many questions that remain unanswered on the government’s purchase of 59 M1A1 Abram tanks from the United States. They are, as we already know, second-hand. The opposition know this, and we also know that a team is being sent to the US to choose 59 tanks from the selection pool. However, the question remains: if you are going to select them in this way, can the minister give an assurance that the team being sent to the US for the selection process will have a number of qualified technical personnel? For the minister’s benefit, they would be qualified engineers who could ensure these issues are taken into consideration. Because of this opaque process we do not know whether they were considered—the minister has not informed us. Have the tanks sat on big US Marine Corps preposition ships? The minister may or may not be aware that, if they have sat on preposition ships, they may have rust. No amount of servicing is going to fix those corrosion problems.

The next question goes to burden of proof. Is there substantive material to prove that the tanks on offer were not used in the 1991 Gulf War? Have any of the tanks on offer been used as training vehicles at Fort Irwin, the US national training centre? Anyone who knows about training centres—if the minister has taught his son how to drive in his car—would know that, if you are using them for training vehicles, they generally tend to be thrashed a little. Were any of the tanks in the pool used in the 1991 Gulf War? More im-
Importantly, were any of these tanks hit by Iraqi fire? I believe that the minister has said that the Navy may have to make arrangements for some of its fleet to accommodate the heavier Abrams. What cost are you going to put on that? Has that been factored into the overall purchase price? You say you are getting best value for money, but you are only isolating that narrow band and talking about tanks. What we do not understand, and what we have not heard from the minister, is whether he has considered whether HMAS Tobruk will have to be modified.

Senator Hill—Can I have a second go to answer all those questions?

Senator Ludwig—I am sure you will be able to answer them in your time, Minister. You had that opportunity twice, during question time and during your taking note, to provide some of this detail. What modifications will have to be made, and at what cost? The current Leopards, which the papers have indicated have some cracks—and I think you indicated that as well—will also have to be upgraded. As far as I understand, that is going to be curtailed. Will a penalty be paid by the Australian Army in relation to that curtailment? If so, why don’t you tell us how much it will cost if there is a penalty provision? How much will you discount that whole purchase price?

The Minister for Defence said today that these tanks will provide increased mobility on the battlefield. It will do us no good if we cannot get the tanks to the battlefield in the first place. Will the M113 upgrade program provide armoured personnel carriers to operate these tanks? These are some of the questions that you would expect to be answered in an open and transparent process, questions which the Army would normally answer. Our Army deserves the right to have up-to-date equipment—particularly equipment like the M113, which will save lives as the minister said—but it should do so in an open and transparent environment where we know that we are getting value for money. We should not have to take it on a kiss and a promise from the defence minister.

‘Value for money’ in defence seems to be a very loose term. We only have to look at the two recently deployed 155 millimetre Howitzer guns sitting in 105 Field Battery at Enoggera to know what the problem is. Perhaps the minister could get artillery shells for those 155s. That is what can happen. You are now going to purchase another four 105 Howitzers, and you will have six of them sitting at Enoggera with no shells. That is what can happen if you do not open up the process and you do not examine all the logistical issues that go with it. When will the minister provide shells for the 155 Howitzers? How long have they been dry-firing for now, Minister? It does not take six months or longer to come up to speed on how to operate a 155 Howitzer. (Time expired)

Senator Ferguson (South Australia) (3.22 p.m.)—The one thing that is quite evident from the debate today is that the contributions from Senator Chris Evans and Senator Ludwig serve to highlight the fact that the minister and this government have made a sound decision, have made the decision to purchase, and that for all of those years in government Labor refused to make decisions. We are left now making acquisitions and decisions that should have been made some time ago. There is no defence acquisition made at any time or in any place that is not questioned by some of these so-called experts of defence capabilities and defence commentators. There are always questions raised by the so-called experts, and it would appear that Senator Chris Evans and Senator Ludwig have done their best to look at all of the negative aspects that have been raised by some of the commentators about any poten-
tial purchases and set up some straw man or argument.

Senator Chris Evans in his contribution said, ‘Despite all the problems …’ In fact, not one cent has been paid for these tanks yet. We will have the chance to go and select those tanks to make sure that whichever ones are provided to the Australian Army are suitable. We will know what we are buying because we will be able to see for ourselves exactly the condition and state of these tanks and to make sure that we only purchase defence equipment which is in the best interests of this government and the defence of our country.

Senator Chris Evans talks about assessing the purchases against the requirements of the Army. That is exactly what took place. Our professionals, as the minister has said, say that the Abrams is the best tank to suit our purposes. It is the best tank that is currently available in the world to suit the purposes of the Australian Army and the Australian Defence Force. For him to question the ability of the professionals in this area to provide us with the most suitable tank bears some questioning. He talks about heavy second-hand tanks. He says that there is a question as to whether these tanks will be the right tanks for us to have and asks why we are going the way of second-hand Abrams tanks. The minister has answered those questions and he answered them very adequately again in the debate on taking note of answers. While the Chief of Army might have liked to have had a lighter tank there is simply not one available. Because there is not one available we have to choose the best available at the best price. Their role is to protect our infantry and if that role is to protect our infantry then in fact this is the best purchase we can make.

Senator Chris Evans asks whether we have the right tank at the right price. He questions the influence of the minister in making sure we get this view. This is the view of the professionals, and that is what is most important.

We also need to remember that over the past 2½ years that this defence minister has been in charge of this department and our armed forces he and the government have made some enormous decisions. Each of those decisions concerned instances that, at the time of his taking over this portfolio, he could have reasonably expected would not have been likely to occur. The decisions that have been made by this minister have stood the test of time in every way. We have a government that, through the minister, has decided that this is the best tank for our operations and that we are getting the right tank at the right price. We have not paid one dollar yet. We will be able to inspect these tanks to see for ourselves, and the experts will be able to see for themselves, what condition they are in.

Senator Ludwig—What if they are duds?

Senator Ferguson—We know they will not be duds, Senator Ludwig. Most of the duds in this place are over there, not over ‘there’ as in the USA. Senator Ludwig says that we get only half the story. I can tell you that Senator Hill and those professionals within the Defence Force who made this decision are some of the few people that do know the full story. When you allow professionals and the minister, in the full knowledge of what they are buying, to make the decisions then you will get right decisions. You may want to criticise them from that side; you never made—(Time expired)

Senator Marshall—(Victoria) (3.27 p.m.)—Senator Hill in answer to a question today indicated that the Labor Party’s questioning of this decision to buy the second-hand heavy tanks was somehow to do with
anti-American views. Let me refute that absolutely. The Labor Party have always been supportive and have indeed nurtured the US alliance with Australia. We do that on the basis of equal partners in our national interest. Let me be very clear, Senator Hill has indicated that we must be the only people that question this purchase. Let me quote very briefly from the Canberra Times, a newspaper that could hardly be described as being anti-American. An article which appeared on 11 March 2004 says:

... the decision to purchase invites questions about the competence of the minister and the national security committee of Cabinet, as well as of its most senior military advisers. And the public needs to know why specialised civilian defence expertise—which has been virtually unanimous in opposition to any such purchase—has been completely displaced in national defence decision making. If Government knows more than it is telling the public about ... different defence posture. It is simply impossible to fit this purchase into any publicly discussed defence framework.

Minister, describing anti-Americanism as the reason for questioning the viability of this decision is a nonsense. As the Canberra Times indicates they question it and every civilian commentator and every civilian expert in this field also questions it.

The primary purpose of the defence forces of Australia is to defend Australia itself. The minister indicated that we have changing defence needs. We accept that. We understand and accept that we face new threats now from terrorism, regional instability and insurgency. Very clearly, the foreign minister, Mr Downer, has described the area in which we live as the 'arc of instability'. We are at the centre of that arc as he describes it. We have recently intervened in East Timor and the Solomon Islands. There are still tensions in our region in West Papua, Vanuatu, Bougainville and Fiji. We have a vast coastline and the government has taken a view—and I support this—that we need to look at our own region more closely and intervene where it is necessary.

The purchase of this tank cannot in any way fit into that strategy. For a start, we have no ability to move these tanks to any of those areas. If we want to airlift them there, we have to rely on foreign national charter aircraft. The only aircraft that are able to move those tanks are Russian Antonovs or the US Army C5 Galaxies or C17 aircraft. We will have to rely on the availability of charter aircraft and on whether those countries want to make those aircraft available to determine whether we can deploy our tanks in our own region. We cannot move them by ship. Even if we had a capacity in the Navy to move these tanks and even if we were able to modify them to move the tanks round, as I understand it there is not a wharf within 10,000 kilometres of Australia that is capable of having those tanks offloaded. There is not a wharf in the South Pacific or in South-East Asia where these tanks could be offloaded.

The minister says that our infantry deserves the protection of these tanks. If our infantry is going to the South Pacific, why do they not deserve the protection of these tanks? Those tanks cannot be there. It is a ridiculous notion for this minister to say that these are the best tanks, when these tanks obviously do not fit into our overall national interest. They do not fit into our existing infrastructure and they can play no positive role in the defence of our immediate region or the defence of Australia as a whole.

Question agreed to.

HEALTH LEGISLATION AMENDMENT (MEDICARE) BILL 2003
Consideration of House of Representatives Message

Message received from the House of Representatives acquainting the Senate that it had agreed to the amendments requested by the Senate to the bill.
Third Reading

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (3.32 p.m.)—I move:

That this bill be now read a third time.

Senator NETTLE (New South Wales) (3.32 p.m.)—This morning Professor John Deeble, the architect of Medicare, said that his system of universal health care was officially dead. That is thanks to this government and four Independents, who have decided that a system of universal public health care in this country is not what they want. That is not the direction that they want public health planning to go in in this country. Instead, the vision that this government and the Independents have for public health care in this country is for Medicare to become a welfare measure. It is for us to have a safety net that is not based on health care needs but on people’s income level—or the fact that they happen to be in the coalition’s demographic for voting: self-funded retirees, who have a health card. Perhaps it is based on the type of family you are part of, whether you have children or not being the determining factor. It is based on income levels. This safety net system is not based on health care needs.

A single working person earning as little as $340 a week is not eligible for a health card. They do not qualify for a bulk-billing subsidy. They get lumped in the same category as Kerry Packer in terms of the safety net they qualify for. That is certainly not based on any of their health care needs. There is nothing universal about that. There is nothing universal about the sort of welfare measure system that this government wants to pass off as a public health system. The AMA says that the system undermines universality—that it is unjust, that it is unfair, and that it will not fix access and affordability problems. The question was asked by the vice-president of the AMA on the radio this morning: why are some Australians more equal than other Australians? That is a good question to put to this government because it appears that it believes that future health planning in this country should not be based on equity or any concept of universality but on being low cost to the government. It only spends the money it needs to spend to buy four votes here in the Senate.

Is this package going to do anything to increase bulk-billing rates? We have had the minister in here and the health minister make it quite clear that this is based on a government assumption of having no increase in bulk-billing rates. The minister in this chamber has said that he hopes that bulk-billing will increase. Minister Abbott has said that it should improve bulk-billing rates, but that is not the assumption on which they have based this model. That is simply not good enough for the Australian Greens and it is simply not good enough for the Australian people. Australians love Medicare. They love the fact that they pay their taxes, based on their income; pay their levy; and then get the service. When they are sick and when their kids are sick they can go to the doctor. They do not want a system like the one this government wants, where you pay your taxes, you pay your levy, you pay whatever gap fee the doctor decides to charge and only then get your service. You will pay three times—user pays, user pays, user pays—before you get any health care under this government.

The Greens believe in universal and strong public health care in this country. We know that there is $2.4 billion of public money that this government is putting each year into the private health insurance rebate. That is before the premiums go up, as this government just approved. That is $2.4 billion of public money that should be being put into the public health care system. The minister in here indicated quite clearly that if
people are supporting the Greens that is what we are saying: ‘There is $2.4 billion of public money. Let’s put it into the public health system.’ That is our position, and we are proud to be supporters of a strong public health care system in this country—not the model that this government and four Independent senators have for public health care in this country, which means that Medicare as we know it is officially dead. Only a sick government would want to destroy Medicare.

Senator ALLISON (Victoria) (3.37 p.m.)—The Democrats will not support the Health Legislation Amendment (Medicare) Bill 2003 at the third reading largely because we think it could have been a lot better. A uniform and universal safety net was the bottom line for us. Without that, we do not think the bill stands up as being fair or universal. As we said earlier, our proposal was that the threshold should be $500 across the board. We have been given no reason why it should be $300 and $700. It sets up so many anomalies and means that so many people miss out on one category or the other that it is hardly worth discussing.

There are no incentives for bulk-billing, and that is a major weakness in the package before us. For all we know, we could be paying out $7.50 for every consultation that is being bulk-billed that goes no further than the current number in that category. There is no evidence that doctors in those country areas will bulk-bill more or will bulk-bill concession card holders and children. They are not even being asked to bulk-bill all of those patients. There is also unfairness for some electorates because RRMA has been chosen as a measure of need. There are probably as many anomalies as there are needy areas that are actually getting the extra rebate. A far better measure would have been to look at those areas where there is a low Medicare dollar flowing in and find alternative and flexible ways of dealing with that.

We are disappointed in the access to allied health and that it is tied up in red tape and with the GPs. It means that instead of having a very simple referral system from GPs to allied health professionals—and it would be very easy to contain that so that costs do not blow out—we have a complicated system doctors do not like. It is full of red tape and there is no guarantee that the amount of money being given to doctors will be passed on to those allied health professionals or that they are in any way seen as professional clinicians in their own right through this system. As I have said, doctors have already said they do not favour this, so it is doomed to not succeed in our view.

It could have been better. I say to the government that our package was a lot better. It did not cost any more. It had more logic associated with it. It was fairer. It was universal, as it were. At the end of the day, we wish there was no need for a safety net but, again, the government has not tackled the big question of specialists’ out-of-pocket costs. This will continue to be a problem into the future, so we are looking at a short-term fix. Again I hesitate to use the word ‘fix’, because I think it is only a patch-up rather than any sort of fix. It is a grab bag of quick trade-offs, and we seriously do not think it will work.

We are pleased that a review at least has been agreed to that allows us to look at the success or otherwise of this package and holds the government accountable to some extent to the public for its decision. We would hope that after the three years—maybe it will be necessary before; I do not know—a sensible approach can be taken to a proper overhaul of our health system and measures can be put in place to bring it back on track in terms of the schedule fee and the contract I spoke about earlier between the
government and doctors that see much more adherence to it.

I will finish by saying that the Senate poverty report tabled today told us that there has been a massive increase in the working poor. These are people not on concession cards and who will miss out on the $300 threshold and have to pay $700 before getting assistance. We think they should be paying only $500 before they get assistance from the government. These are people who will obviously be worse off with this package.

It has been an interesting debate. We have taken this to committee. It is almost 12 months since it was first introduced as A Fairer Medicare. We have done this work thoroughly, and whatever improvements are in the bill are due to the Senate. I thank and congratulate everybody for their involvement in the changes that have been made. It is certainly a great improvement on the original package. We got rid of things like the private health insurance cover, although I need to be reassured that it will not sneak back in another form. It is a credit to the people who have worked on this issue over the last 12 months.

Senator CHRIS EVANS (Western Australia) (3.42 p.m.)—I want to make a few remarks on behalf of the Labor opposition on the Health Legislation Amendment (Medicare) Bill 2003. I reiterate that we remain fundamentally opposed to the package represented in part in this amended bill, because of our concern that these measures undermine the universality of Medicare. It fails to see the health system based on the traditional concept of quality health care for all regardless of income and location. For those reasons, we cannot support the legislation. I am very wary of excessive hyperbole on these occasions. We get very close to and emotive about issues as we debate them. Sometimes in hindsight you say, ‘Perhaps I should have been calmer about that.’ Speaking personally, I am very concerned and disappointed with the passage of this bill. I thought we had won the debate about Medicare in this country—a debate we had in the 1980s when John Howard used to argue for dismantling universal access to health care but relented in the face of the community’s support for that system.

In the last three or four years we have seen a chipping away at the system. This represents another plank being removed, undermining the system, and a shift to a private health insurance based model away from universal access and moving Medicare to a safety net system—a system that is designed for the poor and those who cannot afford to access private health. It is part of the shift that the government is promoting. In the end, we will see public hospitals and public health care only being available to those who have insufficient incomes to be able to purchase health care in the government’s preferred system. It is a retrograde step. It flies in the face of everything that we have tried to do with Medicare.

One of the great strengths of the Medicare system has been its universality, the fact that people access it according to their health care needs. That is one of the things that has been so well regarded internationally and held up in many nations as an example of what you can do with health care. I am conscious that this bill is only a small measure in one respect but it really does seek to undermine that basic universality. We now have a confusing mixture of safety nets, other arrangements and special access measures, and we have rights to health care based on location. People in Tasmania have more rights to health care than people in other parts of Australia. This is not what a universal health care system is supposed to be about.

In fairness to the Independents in the Senate, the fact is that the process has got more
money out of the government and that is probably a good thing because health care needs more funding but, because of the way it has been negotiated and because of the government's failure to commit to supporting the Medicare system, I think a lot of that money will be wasted and applied inappropriately. Effectively this has been about providing institutional cover for the government's running down of bulk-billing. We have seen a dramatic decline in bulk-billing in this country. We have seen a situation develop where large numbers of Australians are now no longer able to access bulk-billing. The government's response to that has been to say, 'We'll institutionalise that. We'll provide some support for those people on lower incomes and in need who we decide can access bulk-billing.' But effectively the government has said, 'We'll give up the case for bulk-billing. We accept that it will not be available as a universal part of the Medicare system; it will be a welfare, safety net measure.'

Bulk-billing will be for those who fall into the welfare safety net. The government has given up the commitment to bulk-billing and the important role that bulk-billing played in delivering universal access for Australian citizens. Having run the bulk-billing figures down to crisis point, this bill and these measures institutionalise that response so that now bulk-billing is seen as a welfare measure, a safety net option for those who are least able to afford health care. That seeks to fundamentally undermine the universality of the system and will end up severely weakening the Medicare structure.

While I accept that the politics of this place is getting one more vote to pass the legislation, one of the things that really concerns me is the failure to adopt a national perspective on health care—the special side deals, the different treatment of Australians because of the ability of Independent senators to get a concession out of the government. This is supposed to be a national government providing health services for all Australians. These little backroom deals that provide different entitlements for different Australians undermine confidence in government and democracy in this country. I think that is one of the worst aspects of this proposal.

It is still a bit of a moving feast. It is still not clear to me what is happening with the RRMAs and the definition of 'rural and regional' in this country. I think the political fixes are still going on. There are still negotiations—letters being exchanged, et cetera, as part of the horse trading—but it is not clear to me what this will mean for some Australians in terms of the health care rules for them because of the backroom deals that have accompanied this legislation.

The other thing I want to stress in closing which has not had enough attention in recent days is the problems associated with linking these measures to the family payments system. All senators will have been dealing with serious concerns about family payments, family tax arrangements and the debts that families are incurring. Linking our previously fairly simple health system into that quagmire will add to the complexities, confusions and huge administrative costs associated with some of these measures. I think it is a very unwise move to link those two systems, given that the government over the last four or five years has been unable to resolve very serious issues about managing that system.

In conclusion, I want to put on the record that Labor remains opposed to the amended legislation and will be voting against it. Clearly, as some of the Independent senators are taking comfort in it, there is a challenge there for a new Labor government, if we are successful at the election at the end of the
year, to reform the system and turn back some of these measures, but that is for the opposition spokesperson, Ms Gillard, to announce in the lead-up to the election. Clearly, Labor will be committed to retain and enhance a universal Medicare system which provides services to Australians on the basis of their health care needs. That will be an important task for an incoming government—to alter the direction in which this government is going on health care.

Senator HARRIS (Queensland) (3.50 p.m.)—I would like to place on record One Nation’s support for the Health Legislation Amendment (Medicare) Bill 2003. There have been long negotiations and there are benefits that have been gained. I want to speak very briefly about one of them because it is important—that is, benefits for Indigenous health that will derive from this program. It is envisaged that in conjunction with the Australian Dental Association and Lionel Quertermaine, the present chair of ATSIC, there are opportunities through this program for additional Aboriginal people to be employed and provide service as dental technicians, maybe not in the form that we formally understand dental technicians—producing plates, bridges and caps—but in assisting their people in oral hygiene. That is a wonderful improvement that has been brought into this program. It will assist the Indigenous people in North Queensland as well as those right throughout Australia. The legislation now has the potential to reach a greater number of people right across Australia and provide them with benefits.

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (3.52 p.m.)—I say a very big thank you to the senators who have contributed to the debate on the Health Legislation Amendment (Medicare) Bill 2003. I thank the participants for ensuring that we will be able to pass the legislation today. It is an important matter. We have put aside our ideological differences and policy differences to ensure that that occurs and it is a big ask. I genuinely say thank you.

I will respond very briefly to two or three matters that were raised, and I think they do need to be responded to. This government’s commitment to health care, primarily public health care, is demonstrated by the fact that only eight years ago—less than a decade ago—spending under the previous government was 15 per cent of the Commonwealth budget. Now, it is 20 per cent. Most of that increased expenditure goes to public health care.

The opposition spokesman made the point that Medicare benefits and bulk-billing are based on location. That has always been the case. There have been differential bulk-billing rates since the first day Neal Blewett’s legislation was introduced in this place. The level of bulk-billing around Australia has been different virtually from day one. But Labor’s own policy, which is to implement a Medicare ‘hot spot’ or ‘hit squad’ policy, will do exactly the same thing. In fact, it will exacerbate the problem because they will send Medicare hit squads—which have been costed, I think, at $60 million, so you will not get many of them—to areas of need. Obviously, if you are close to those hit squads or hot spots, you will get better access than someone who is not, and Labor has to deal with that policy dilemma.

In terms of the FTBA and simplicity, you need only to qualify for the FTBA at one point in the whole year. Once you have qualified, you cannot unqualify, so it is very simple. I think Senator Nettle made an important point earlier today, saying, ‘It’s too complicated. People won’t be able to understand it.’ They do not need to understand it because all of the thresholds are judged by the Health Insurance Commission. However,
there are a whole range of new measures in the MedicarePlus package, as amended today. The Commonwealth, I hope, will be continuing and enhancing a public information campaign so that all Australians are well aware of the new measures, the new safety nets and that they are available to them.

I am disturbed, however, that Senator Evans has said today that Labor may well turn back these measures. To his credit, he did say that it would be up to the health spokesman for the Labor Party to say how they intend doing that. But I think it is important that the Australian people do know well before the next election the following. Firstly, where will these hit squads go? Secondly, which of these measures will be turned back by Labor? We have now been told by the Labor health spokesman in the Senate that Labor will turn back the measures. We have been told that Labor will review the 30 per cent private health insurance rebate that ensures that many Australians, who could not otherwise afford it, can receive the benefits of private health insurance. I think it is time that Labor told us how they intend taking those rebates away. With that short response, I commend the bill to the Senate.

Question put:
That this bill be now read a third time.

The Senate divided. [4.00 p.m.]

(The President—Senator the Hon. Paul Calvert)

Ayes............ 33
Noes............ 31
Majority........ 2

AYES
Barnett, G. Boswell, R.L.D.
Brandis, G.H. Calver, P.H.
Campbell, I.G. Chapman, H.G.P.
Colbeck, R. Coonan, H.L.
Eggleston, A. Ellison, C.M.
Ferguson, A.B. Ferris, J.M. *
Harris, L. Humphries, G.
Johnston, D. Knowles, S.C.
Lees, M.H. Lightfoot, P.R.
Macdonald, I. Macdonald, J.A.L.
Mason, B.J. McGauran, J.J.
Minchin, N.H. Murphy, S.M.
Patterson, K.C. Payne, M.A.
Santoro, S. Scullion, N.G.
Tchen, T. Tierney, J.W.
Troeth, J.M. Vanstone, A.E.
Watson, J.O.W.

NOES
Allison, L.F. Bishop, T.M.
Bolkus, N. Brown, B.J.
Buckland, G. Campbell, G.
Cherry, J.C. Collins, J.M.A.
Conroy, S.M. Cook, P.F.S.
Crossin, P.M. Evans, C.V.
Forshaw, M.G. Greig, B.
Hogg, J.J. Hutchins, S.P.
Kirk, L. Ludwig, J.W.
Mackay, S.M. * Marshall, G.
McLucas, J.E. Murray, A.J.M.
Nettle, K. O’Brien, K.W.K.
Ray, R.F. Ridgeway, A.D.
Sherry, N.J. Stephens, U.
Stott Despoja, N. Webber, R.
Wong, P.

PAIRS
Harradine, B. Carr, K.J.
Heffernan, W. Denman, K.J.
Hill, R.M. Lundy, K.A.
Kemp, C.R. Faulkner, J.P.

* denotes teller

Question agreed to.

Senator Moore did not vote, to compensate for the vacancy caused by the resignation of Senator Alston.

Bill read a third time.

COMMITTEES

Reports: Government Responses

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (4.03 p.m.)—I present two government responses to committee reports as listed on today’s Order of Business.
In accordance with the usual practice, I seek leave to incorporate the documents in Hansard.

Leave granted.

_The documents read as follows—_

_The Government Response to the Senate Environment, Communications, Information Technology and the Arts References Committee Inquiry into Gulf St Vincent_

**Background**

On 26 August 1999, the Senate referred the state of the environment of Gulf St Vincent to the Senate Environment, Communications, Information Technology and the Arts References Committee. Submissions following newspaper advertisements and direct contact with relevant organisations complemented public hearings at Adelaide and Port Adelaide on 3 and 4 February 2000 respectively.

The Committee tabled its report on 5 June 2000. The following is the Australian Government’s response to that Committee’s Recommendations.

**Recommendation 1**

The Committee recommends that the South Australian Government prohibit the use of Tributyltin (TBT) on small craft.

**Response**

The use of TBT based paints as an antifouling paint falls within the scope of the National Registration Scheme for Agricultural and Veterinary Chemicals (NRS). As part of the NRS and under Commonwealth legislation, the National Registration Authority for Agricultural and Veterinary Chemicals has the responsibility for the supply of agricultural and veterinary chemical products up to the point of wholesale. State and Territory governments have responsibility for controlling the use of these products beyond that point. Consequently, the South Australian Government has responsibility for regulating the use of Tributyltin (TBT) on small craft (vessels less than 25m long) in state waters.

South Australia is implementing the agreed national approach, which prohibits the use of TBT formulations with release rates exceeding the national criteria (5 μg TBT per square cm per day). This measure applies to all vessels and slipway licenses.

The Australian Pesticides and Veterinary Medicines Authority (APVMA) advises that labels on all registered TBT based antifouling paint products exclude its use on small craft (vessels less than 25m long). Consequently, it is illegal to use TBT as an antifouling paint on small craft, except as otherwise specifically authorised by the South Australian Government under state permit.

The South Australian Environment Protection Authority is party to a national TBT survey and has found TBT in sediments near vessel maintenance areas. This is being addressed in the South Australia’s Environment Protection (Water Quality) Policy and by conditions of license that required, by July 2004, no discharge of water during the maintenance of vessels that may contain antifoulant. The EPA also audits slipways and the contents of stored paints.

On 19 August 2002 Australia signed, subject to ratification, the International Convention on the Control of Harmful Anti-fouling Systems on Ships (the Convention). The Convention will prohibit the application and reapplication of organotin compounds, including tributyltin, to the external surfaces of ships when it enters into force internationally, which is expected to occur in 2005. There will also be a prohibition on ships having organotin compounds on their external surfaces, from 1 January 2008.

The Australian Government has drafted the Protection of the Sea (Harmful Anti-fouling Systems) Bill 2003 which, when enacted, will implement the Convention in Australia.

Australian industry has anticipated the international implementation of the Convention, and implemented, by agreement, a complete ban on the manufacture of any new TBT based antifouling paints in Australia. Pre-existing stocks were, in general, used before the commencement of the agreed ban. A formal ban came into place when the APVMA banned the sale and application of the organo-tin paints in Australia by cancelling the registration of antifouling paints containing organotin biocides on 31 March 2003. Use and supply of existing product was allowed up until 31 July 2003.
Recommendation 2
The Committee recommends an embargo on pumping from wells or bores on coastal dunes and adjacent regions until an investigation into the groundwater reservoirs has been undertaken.

Response
The government is promoting the sustainable management of groundwater through the implementation of nationally agreed policy frameworks such as the National Principles for the Provision of Water for Ecosystems, the National Water Quality Management Strategy Guidelines for Groundwater Protection in Australia and the COAG National Water Initiative. A key element the COAG National Water Initiative will be to develop a nationally compatible system of water access entitlements including firm pathways and open processes for returning over allocated surface and groundwater systems to environmentally sustainable levels of extraction.

The Australian Government is also continuing to work through the Natural Resource Management Ministerial Council and related fora to develop approaches for the sustainable management and use of groundwater, and protection of groundwater-dependent environment and heritage values.

The South Australian Government is responsible for management of its natural resources, including the management of groundwater supplies.

Recommendation 3
The Committee recommends that an independent assessment of the effects and future potential of prawn fishing in the Gulf St Vincent area should be carried out.

Response
The South Australian Government is responsible for the management of prawn fisheries in Gulf St Vincent.

Under the Environment Protection and Biodiversity Conservation Act 1999 (the Act) all fisheries that export marine species must undergo assessment to determine that the fishery is managed in an ecologically sustainable manner. Given that product is exported from the Gulf St Vincent Prawn Fishery, this Fishery must be assessed in accordance with the Act and associated Guidelines for the Ecologically Sustainable Management of Fisheries. The Guidelines require consideration of the impact of the fishery on target species, by-catch and by-product species and the broader marine ecosystem. The impact of trawling on benthic habitats is widely known and the effects of prawn trawling on benthos in the Gulf will also be evaluated as part of this assessment process.

The Department of the Environment and Heritage (DEH) has received a submission—Ecological Assessment of the South Australian Spencer Gulf Fishery, Gulf St Vincent Prawn Fishery and West Coast Prawn Fishery from the Department of Primary Industries and Resources South Australia (PIRSA). The submission will be used to assess the operation of the fishery for the purposes of Parts 13 and 13A of the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act).

Recommendation 4
The Committee recommends that the Australian Quarantine and Inspection Service (AQIS) take an active role in monitoring the possible introduction of marine pests from vessels in the Gulf St Vincent area and that it take appropriate action to minimise the problem.

Response
AQIS is an operating group within the Department of Agriculture, Fisheries and Forestry (DAFF), responsible for the delivery of operational quarantine services. With regard to marine pests, AQIS is currently responsible for regulating the discharge of ballast water from international vessels. This responsibility does not extend to the regulation of domestic vessels.

Action directed towards the management of invasive marine species in Australia commenced more than 10 years ago through work undertaken by AQIS. In 1990 AQIS established guidelines for international vessels to manage their ballast water and sediment discharge. Under these guidelines all vessels arriving in Australia were required to complete a ballast water pre-arrival form and encouraged to exchange their ballast water prior to arrival. On 1 July 2001 AQIS strengthened these guidelines by introducing mandatory ballast water management requirements which include the regulation of ballast water discharge and the
requirement not to discharge ‘high risk’ ballast in any Australian ports.

The Department has introduced a national protocol for the sampling and detection of invasive marine species in ports. DAFF has also contracted the CSIRO Centre for Research on Introduced Marine Pests (CRIMP) to conduct a baseline port survey of first ports of call for international vessels—DAFF has provided incentives for some ports to conduct these surveys. To date, at least 30 of Australia’s 63 major ports have been surveyed.

In August 1999, the Ministerial Council on Forestry, Fisheries and Aquaculture and the Australian and New Zealand Environment and Conservation Council (ANZECC) established a National Taskforce on the Prevention and Management of Marine Pest Incursions. The report of the Taskforce recommended that industry, the Australian Government, the state governments and the Northern Territory agree to implement a robust National System for the Prevention and Management of Introduced Marine Pest Incursions. The National Introduced Marine Pest Co-ordination Group (NIMPCG), established in late 2000 and chaired by the Department of Agriculture, Forestry and Fisheries, was formed to co-ordinate actions over the interim management period and to develop long term prevention and management arrangements. A Consultative Committee for Introduced Marine Pest Emergencies was also established at that time.

To facilitate intergovernmental agreement on legislative, governance and funding arrangements and principles for the National System, a high level officials group to consider these matters was established under the auspices of the Natural Resource Management Ministerial Council (NRMMC) in 2002. The recommendations of the high level group were accepted by NRMMC in October 2003. These included that the Australian Government should be responsible for the prevention of marine pest introductions to Australia, with State and Northern Territory Governments to be responsible for managing the risks of pest translocations within Australia as well as ongoing management and control of established pest populations. NRMMC also agreed to develop an intergovernmental agreement as the formal means of establishing responsibilities and implementing recommendations.

DAFF has an Introduced Marine Pests Programme, which is facilitating the development and implementation of the National System for the Prevention and Management of Introduced Marine Pests. This Programme has been supported by a $2.2m Industry Levy, $1m from the first phase of the Natural Heritage Trust (NHT) and a further $1m from the Australian Maritime Safety Authority (AMSA). The Department of the Environment and Heritage (DEH) also managed an Introduced Marine Pests Programme and a Ballast Water Remediation Programme under the first phase of the Natural Heritage Trust, funded with $4.5 million and $1 million respectively. In 2002-03 and 2003-04 DAFF and DEH received joint allocations of $600,000 and $700,000 from the second phase of the Natural Heritage Trust to continue development of the National System.

Recommendation 5

The Committee recommends that the license to be issued to the Pelican Point Power Station be made conditional on measures being taken to prevent thermal pollution.

Response

The South Australian Government, through its Environment Protection Authority, is responsible for regulating discharges from the Pelican Point Power Station.

Pelican Point Power Station is licensed by the EPA, and under the conditions of that license, the licensee must ensure the temperature of coolant water discharges are no greater than 2 degrees centigrade above the natural background over a weekly basis.

Recommendation 6

The Committee recommends that the South Australian Government consider off-budget construction options for the upgrading of the Port Adelaide Wastewater Treatment Plant utilising land-based disposal of sewage effluent.

Response

The government understands that construction works have commenced for the treatment of Port Adelaide effluent at the Bolivar Wastewater Treatment Plant, and that a significant proportion
of this treated wastewater will be irrigated onto land in the Virginia Horticultural Area.

The Howard Government’s third term environment agenda—“A Better Environment”—identifies targeted reduction of pollution to coastal and urban water quality “hot spots” as a priority area of activity for the extension to the Natural Heritage Trust (NHT). To this end, the government has established the Coastal Catchments Initiative, a national program under the NHT, which will seek to develop and implement Water Quality Improvement Plans (WQIPs) for these coastal hotspots. The Australian Government has established a contract with South Australia to develop a WQIP for Adelaide’s Port Waterways (comprised of the Port River Estuary and Barker Inlet). The plan, to be implemented under the principles of the National Water Quality Management Strategy, will establish a sound basis on which investments can be made by all parties to achieve targeted reductions in pollutant discharges to the Port Waterways.

Recommendation 7
The Committee recommends that the Commonwealth provide additional funding for the Adelaide Coastal Waters Study.

Response
A number of studies have been undertaken to identify and evaluate the state of the environment in and around Adelaide, including Gulf St Vincent.

The Senate Committee’s report into Gulf St Vincent acknowledges the numerous Gulf St Vincent studies. The Committee states in the Report Foreword, ‘Water quality problems in the Gulf are well documented. Many of the problems are impacting on the Gulf and even the solutions are already well known.’

The government concurs with this statement and will consider any further funding through existing programmes and existing funding frameworks.

Recommendation 8
The Committee recommends that the Commonwealth provide funding through the Coastal and Marine Planning Program for the Environment Protection Agency of South Australia to develop a planning strategy for Gulf St Vincent.

Response
All funds of the Coastal and Marine Planning Programme under the first phase of the Natural Heritage Trust have been allocated and the final projects were completed in December 2002.

South Australia has received a total of $436,750 from the Coastal and Marine Planning Programme, of which $50,000 was for a capital works program to develop an artificial wetland to reduce runoff from the Port Willunga township and associated rural catchment and improve water quality entering the Gulf of St Vincent.

Recommendation 9
The Committee recommends that both the Federal and State Governments give consideration to sponsoring an increased number of scholarships in the field of environmental science.

Response
The major part of the government’s support for undergraduate and postgraduate education is included in universities’ operating grants. Universities determine the number of places offered in particular courses such as environmental science. It should be noted that the government ensures that qualified students are able to access a university degree through the Higher Education Contribution Scheme (HECS). As a result, students should not face financial barriers to undertake a degree in environmental science.

The government also provides funding for scholarships for postgraduate research students and fellowships for postdoctoral researchers. The majority of these, Australian Postgraduate Awards, are allocated to universities on the basis of research and research training performance. Universities allocate these to students based on merit and across all fields including environmental science.

Other scholarships and fellowships are awarded competitively on the advice of the Australian Research Council, based on excellence and determined by peer review processes.

Industry, other governments and private organisations also frequently provide research scholarships. The allocation of these scholarships and the fields of study chosen are determined by the organisations providing the funding. It would be
most efficient for organisations with a direct interest in the field of environmental science to sponsor additional scholarships, if these are required.

**Recommendation 10**
The Committee recommends that the South Australian Government give enhanced statutory powers and greater flexibility and independence to the South Australian Environment Protection Agency to take action to protect the environment more effectively.

**Response**
The Environment Protection Agency has been restructured and is now an independent authority, separate from the Department for the Environment and responsible through its Board to the Minister.
The government understands there have been recent amendments to the Environment Protection Act 1993, including:

- A new governing Board of the Authority, with increased membership from the current 6 positions to 7 to 9 positions;
- An Office of the Chief Executive that is subject to the control and direction of the Board. The Chief Executive is also the Chair of the Board as well as the CEO for the Environment Protection Authority;
- Functions of the new Board are similar to the previous functions but have a greater focus on regulation and compliance;
- That activities regulated under the Radiation Protection and Control Act 1982 will no longer be excluded from the provisions of the Environment Protection Act 1993;
- That penalties for Serious or Material Environmental Harm will doubled to $2 million and $500k respectively.

**Recommendation 11**
The Committee recommends that the South Australian Government consider an overhaul of the current coastal protection legislation with the introduction of a new Coastal and Marine Planning Management Act.

**Response**
This is a matter for the South Australian Government. The government understands that the South Australian Government is currently developing a ‘Living On the Coast Policy’.

**Recommendation 12**
The Committee recommends improved mechanisms for liaison between State and local government agencies in relation to the management of Gulf waters and the coastal environment of the Gulf.

**Response**
This is a matter for the South Australian state and local governments.

**Recommendation 13**
The Committee recommends that representatives of the Catchment Water Management Boards, local Councils and relevant State government agencies meet at regular intervals to discuss and implement an integrated approach to programmes aimed at improving water quality and the general environment of the Gulf.

**Response**
This is a matter for the South Australian state and local governments.

**Recommendation 14**
The Committee recommends that the Federal and South Australian governments provide increased funding for the monitoring and evaluation of programmes aimed at cleaning up the waters and environment of the Gulf.

**Response**
The National Action Plan for Salinity and Water Quality (NAP) will provide during 2002-2007, $1.4 billion from the Australian Government and the states and territories, on a dollar for dollar basis, for management activities in priority agriculture areas of Australia. Furthermore, the government’s Extension of the Natural Heritage Trust (NHT), totalling more than $1 billion over 2002-07, will fund natural resource management projects throughout Australia.

Funding under NAP and the NHT will also be available for natural resource monitoring programmes. These monitoring programmes will be required to be consistent with the National

The government is currently funding the preparation of a Water Quality Improvement Plan (WQIP) for Adelaide’s Port Waterways (comprised of the Port River Estuary and Barker Inlet), as part of the Coastal Catchments Initiative, a national component of the NHT. The WQIP will be required to set out the processes for monitoring the effectiveness of the management actions and to track reductions in phosphorous and nitrogen discharges into the Port Waterways—representing a significant increase in commitment by the Australian Government to monitoring and evaluation activities in the Gulf.

Recommendation 15

The Committee recommends that all levels of government increase the level of resources currently available for raising awareness of the environmental threats to the Gulf and for community education programmes about possible solutions to some of the pollution and degradation problems.

Response

Under the National Action Plan for Salinity and Water Quality and the Natural Heritage Trust, regional communities will be responsible for identifying key natural resource management issues in their regions and developing plans and actions to address these issues. The Mount Lofty and Greater Adelaide Natural Resource Management Plan has recently been accredited and will address environmental threats to the Gulf. It is anticipated that regional communities, landowners, industries, non-government organisations, local and state or territory governments and other interested parties will be informed by, and involved in, these regional natural resource management processes. Funding will be provided to regional groups to implement accredited natural resource management plans.

The government is currently funding the preparation of a Water Quality Improvement Plan (WQIP) for Adelaide’s Port Waterways (comprised of the Port River Estuary and Barker Inlet) as part of the Coastal Catchments Initiative, a national component of the NHT. The South Australian Environment Protection Authority is responsible for developing the WQIP. In developing the Plan, the South Australian Environment Protection Authority, is expected to form partnerships with the community to identify and declare environmental values of water, identify environmental threats and associated water quality issues, set water quality objectives and determine land and water resource management actions.

GOVERNMENT RESPONSE TO JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE REVIEW OF THE DEFENCE ANNUAL REPORT 2001-02

RECOMMENDATION 1:

The Committee recommends that the Government investigate claims of possible duplication between the Tactical Assault Group (TAG) and State Police Forces and clearly set out the long term role of the TAG, its working relationship with State Police Forces and the types of action that the TAG will perform that State Police Forces will not. Second, the Commonwealth Government should consult with State Governments about their capacity to provide response capabilities to chemical, biological, radiological, nuclear and explosive incidents. Following this consultation, the Commonwealth Government should clearly set out its future role for the Incident Response Regiment (IRR). Third, the Commonwealth Government should clarify whether it is satisfied that funding for the enhanced TAG capability and the IRR has achieved an adequate balance between the two. [Paragraph 2.39]

Government Response:

Not Agreed. While some duplication exists in basic capabilities between the Tactical Assault Groups (East and West) and police assault groups, the Tactical Assault Groups have capabilities that do not exist among the police assault groups and are unlikely to for many years in the states. Offshore, ship-under-way and oil-rig recovery are just three capabilities that state and territory police are highly unlikely to develop the assets to undertake.

The Tactical Assault Groups also have a number of classified capabilities to which police assault groups do not have access. These capabilities are
made available to Defence through its overseas links and its status as a Commonwealth agency. In general, the Tactical Assault Groups have a far higher level of capability to respond successfully to a terrorist situation than police assault groups. Additionally, the level of training and capabilities among each of the state and territory police assault groups varies considerably.

As the threat to domestic security has broadened in recent years, there has been a requirement to combine a chemical, biological and radiological (consequence management) capability with the Tactical Assault Groups’ assault capability. This requires a joint capability between the Army’s Incident Response Regiment and the Tactical Assault Groups. State and territory police do not have either the chemical, biological and radiological response capability or the cooperative training necessary to undertake such operations. It is also unlikely that most states will attain this capability in the near future.

The long-term role of the Tactical Assault Groups will remain unchanged from their present role; that is, responding to a domestic terrorist situation and recovering Australia’s interests, assets and personnel located overseas. The Australian Government requires a response capability to protect national interests and to assist those of the states which do not have the ability to respond appropriately to a serious domestic counter-terrorism situation.

The working relationship between the Tactical Assault Groups and police assault groups is cooperative and cordial. Both groups work together within the context of the National Counter-Terrorism Committee regime of exercises. The Special Air Services Regiment also conducts an annual training course for police assault group members from each state and territory as part of Defence’s commitment to the committee’s training program.

There is no balance required between the Tactical Assault Groups and the Incident Response Regiment as each provides different, although complementary, capabilities in responding to a terrorist incident. The Tactical Assault Groups respond to siege/hostage-type incidents while the Incident Response Regiment responds to chemical, biological, radiological incidents. The Tactical Assault Groups and Incident Response Regiment would work together if a terrorist hostage recovery task also involved a chemical, biological or radiological component. In both cases, the Army will deliver a capability with the resources provided.

**RECOMMENDATION 2:**

The Committee recommends that the Department of Defence provide details in its Annual Report of the Army’s personnel deficiencies, including the personnel shortage profile, the measures being undertaken to address these problems including policies arising from the Defence Personnel Environment Scan 2020 and the time required to achieve optimum personnel levels. [Paragraph 3.31]

**Government Response:**

Agreed in principle. Future annual reports will provide greater detail on Army personnel deficiencies and actions being undertaken to address those deficiencies, although information on the establishment and strength of individual units cannot be provided for security reasons.

**RECOMMENDATION 3:**

The Committee recommends that when the 2003-2013 Defence Capability Plan is released, the Department of Defence should release a statement indicating, and giving reasons for, the key changes that have been made to Defence capability. [Paragraph 3.41]

**Government Response:**


**RECOMMENDATION 4:**

The Committee recommends that the Department of Defence should respond to the measures proposed by the Australian Strategic Policy Institute (ASPI) to improve Defence budgetary transparency discussed on pages 99 to 105 of the ASPI Defence Budget Brief 2003-04. [Paragraph 4.22]

**Government Response:**

Agreed. Defence’s Portfolio Budget Statements 2003-04 incorporated many of the suggestions subsequently made by ASPI in its Budget Brief.
The amount of financial information and performance information contained in the statements has increased substantially and the presentation is clearer and more systematic.

The expanded statements received favourable comment from the Senate Foreign Affairs, Defence and Trade Legislation Committee, central agencies and the media. In addition, ASPI has stated “…it must be said that in some areas Defence has gone beyond the level of disclosure we suggested.” (The Cost of Defence: ASPI Budget Brief 2003-04, page 99)

Defence will continue to improve the quality and the extent of the performance information it provides, as evident in the Defence Annual Report 2002-03.

RECOMMENDATION 5:
The Committee recommends that the Department of Defence outline in its Annual Report Australia’s role in the Joint Strike Fighter program, the projected cost, lifecycle costs, transitional arrangements and progress with Australian industry involvement in the program. The Department of Defence should include performance targets and objectives in its reports. Subsequent Annual Reports should report outcomes against those targets and objectives. [Paragraph 5.44]

Government Response:
Not agreed. Defence will continue to include qualitative information in its annual report addressing Australia’s role in the Joint Strike Fighter program and progress with Australian industry involvement.

As the Government has made no decision on whether to purchase the aircraft, it would be inappropriate to include cost and funding figures in a public document such as the annual report.

In addition, while a broad description of the industry strategy for the new air combat capability has been released publicly, further details remain commercial-in-confidence.

RECOMMENDATION 6:
The Department of Defence should include detailed information in the Defence Annual Report on the role, structure and function, including transition to new functions, of Reserve forces and the extent to which Army is blending them with regular Army units. This description should provide a diagrammatic representation detailing all Army Reserve units, their size, location and the regular units that they support. [Paragraph 6.20]

Government Response:
Not agreed. The Defence Annual Report is an outcome/output-based document and all components of the Australian Army (reserve and regular) are reported on that basis. Chapter Two of the 2001-02 report highlights the force elements that contributed to the Defence outcome and the Army output (from 2003-04, Army capability has a separate outcome). The appendix to the Annual Report provides a summary of the Army’s structure down to unit level, identifying all reserve and integrated units. Cross referencing between the appendix and Chapter Two allows for easy identification of the role and function of reserve and integrated units and their contribution over the
period of the report. Chapter Five provides a summary of reserve strengths by rank, location and gender.

RECOMMENDATION 8:
The Department of Defence should include information in the Defence Annual Report detailing the work and performance outcomes of the Military Inspector General of the Australian Defence Force (Military Justice). [Paragraph 6.34]

Government Response:
Agreed. The Inspector General of the Australian Defence Force will provide, in the Defence annual report, an overview and an aggregate summary of investigations conducted during the year.

RECOMMENDATION 9:
The Department of Defence should provide the Committee with the final report of a review of the Defence Legal Service which was due for completion by 30 June 2003. This report should be provided to the Committee by 31 October 2003. [Paragraph 6.35]

Government Response:
Agreed: A copy of the report will be provided to the committee when consideration of the report is completed.

Membership

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

Senator IAN CAMPBELL (Western Australia—Minister for Local Government, Territories and Roads) (4.04 p.m.)—by leave—I move:

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

• Economics Legislation Committee—
  Appointed—
  Participating member: Senator O’Brien
  Substitute member: Senator Stott Despoja to replace Senator Murray for the committee’s inquiry into the provisions of the Greater Sunrise Unitisation Agreement Implementation Bill 2004 and a related bill

• Foreign Affairs, Defence and Trade References Committee—
  Appointed—Substitute member: Senator Payne to replace Senator Sandy Macdonald for the committee’s inquiry into the effectiveness of the Australian military justice system on 28 April and 29 April 2004

• Rural and Regional Affairs and Transport Legislation Committee—
  Appointed—Substitute member: Senator Allison to replace Senator Cherry for the committee’s inquiry into the effectiveness of the Australian military justice system on 28 April and 29 April 2004

Question agreed to.

WORKPLACE RELATIONS AMENDMENT (PAID MATERNITY LEAVE) BILL 2002
Second Reading

Debate resumed from 16 May 2002, on motion by Senator Stott Despoja:

That this bill be now read a second time.

Senator STOTT DESPOJA (South Australia) (4.05 p.m.)—The Workplace Relations Amendment (Paid Maternity Leave) Bill 2002 has come on a lot quicker today, ironically, than I think we expected, but in actual fact this bill has taken a long time to get to the floor of this chamber. I am proud to say that it is a history making day—maybe a her-story making day—today as we, for the first time as a federal parliament, debate the issue of paid maternity leave legislation. As honourable senators would be aware, we are one of only two OECD countries that do not provide some form of national paid maternity leave, particularly paid leave for women when they decide to have a child. Two-thirds of Australia’s working women have no ac-
cess to any form of paid leave on the birth of a child.

The legislation that I tabled in this place in May 2002, almost two years ago, provides for what would be Australia’s first national, government funded, paid maternity leave scheme applicable to all Australian working women. The design of this scheme would ensure not only that women had the 14 weeks which is the ILO standard of paid leave but also that they would be paid the minimum wage. This scheme is intended to underpin local top-ups at the workplace level and it would replace current arrangements whereby about a third of Australia’s working women, mostly in larger companies and in our public sector workplaces, enjoy paid leave whereas two-thirds of Australia’s working women do not. This bill aims to address this inequity by ensuring a more fair system of paid maternity leave for all working mothers on the birth of a child.

The Employment, Workplace Relations and Education Legislation Committee investigated the Workplace Relations Amendment (Paid Maternity Leave) Bill 2002 after it was introduced. Arising from the committee’s report was a chair’s report accompanied by supplementary reports by the Australian Democrats, the ALP and the Australian Greens. Overall, there was a commitment to the notion of paid maternity leave from a majority of members but, understandably, there was debate about how best that scheme would be structured and introduced. Thus, this legislation has been examined quite comprehensively and in great detail.

Today I circulate amendments that take into account the proposed changes and the recommendations within that Senate committee report. This may be the first time this legislation has been debated on the floor of the chamber but, in fact, it has been reviewed comprehensively previously and recommendations have been adopted to fix up some anomalies in this bill and any quirks of the legislation in its original drafting that needed to be rectified. Essentially, the aim was to provide a national system that did not provide on-costs or burdens for small business, large business or medium-sized business but that, at the same time, would create an incentive for women in the workplace not only so that they could have their children but also so that they could return to their workplace after the birth of their child.

The committee received 34 submissions on the bill. It took additional evidence from witnesses over two days of public hearings. There were contributions from individuals, from women’s organisations, from organisations generally, from the business community—from a range of organisations. I cite as one example the Australian Industry Group, which said at the time:

Government funded paid maternity leave scheme: affordable and desirable.

I note that at the time the Australian Hotels Association passed a resolution at one of their executive meetings in which they endorsed this bill. They endorsed the model that I put forward at the last election and then provided in this legislative format in May 2002.

Senator McGauran—Was that the New South Wales hotels association?

Senator STOTT DESPOJA—It is the national AHA. It is a fully costed government funded scheme; it is a comprehensive model that allows that important 14 weeks of paid leave for women. A practical, efficient fair system of government funded paid maternity leave has clearly found widespread support among the Australian community. Employers, unions, women’s organisations, individuals and community organisations see the need for greater support for women when they have a child.
Evidence before the inquiry—and I am sure that this number has increased—showed that three-quarters of Australians support paid maternity leave. That was evidence from BPW. They suggested that there was a great deal of support in the community. Since then news polls, research, surveys, editorials and the rhetoric of both major parties indicate that there is strong support for work and family measures that make that ability to balance work and family issues better. That is a desirable aim for all of us.

The problem is that we have heard a lot of discussion on this issue but we have seen minimal action. We have not seen action or specifics, particularly from the government, which said that barbecue stopper issues— their work and family debate—would be a priority for them. They said that at the last election. The Prime Minister said it and I welcomed his comments at the time. But almost three years later I am waiting to see some specifics, some constructive contribution to this debate. And I do not call the baby bonus constructive—a scheme that was an ad hoc, ill-conceived election measure pronounced by the Prime Minister during that campaign. It was a scheme that budgeted for up to $550 million in its third year of operation, a scheme that inevitably benefits more wealthy women, a scheme that is based on an incentive for these women to take more time—years, in fact—out of the work force.

Let me make something very clear: the Australian Democrats believe that motherhood is an important and valuable role—as would all senators in this place—and we believe that women who choose to stay at home and have a child should have that work acknowledged. They should be able to do that in a way that is well resourced. Similarly, Australia’s working women should be able to choose to have a child and not feel forced to give up their income or, indeed, their employment. There is a form of systemic discrimination that exists in our society against those women in the work force who choose to have a child. Many of them feel they cannot be open with their employer about the fact that they are of child-rearing age and they may want to have a child. Many of them, when they do have a child, do not feel they can take time off work.

While women have access to one year’s unpaid leave in our society, it is the access to paid leave that makes a difference as to whether or not they can stay in employment—the difference as to whether or not they can retain their job after they have had a child. Many families just cannot afford it. There was one case that came before the Senate inquiry that was of particular significance and it was certainly one that astounded me—although it probably should not have surprised me, given the evidence available—of a woman who said in her submission that she had had a caesarean and gone back to work within two weeks of having that child, not because she wanted to, not because she was well enough to and not because it was in the interests of the child to, but because she needed the income. This is the reality with which we are faced today. We have two-thirds of working women, and thus their families, unable to access paid leave if they decide to have a child.

As we know, a lot of families—and I suspect this is a reason for declining fertility rates—are delaying the decision to have a child. In fact, it is not so much the first child but the second child that families tend to postpone. Indeed, in some cases, they do not have a second child because it is exactly at the point of having a second child that the difficulties arise with access to income and indeed access to leave. So the rationale for paid maternity leave is to try to redress that discrimination against women in the work force. It is to ensure the welfare of the mother and child as well.
There is widespread evidence in our society that maternal health, bonding with the child and the child’s health are all improved through a period of leave from paid work for the mother with her new baby. I know that the inquiry received a great deal of evidence on this and many people have examined this evidence over the years. In fact, the Sex Discrimination Commissioner, Pru Goward, also examined this issue. Family health and wellbeing are improved by paid parental leave, particularly paid leave for the mother. As the Australian Industry Group put it:

Community benefits include improved returns on public investment in education and training as well as improved health and welfare of mothers and newborn children due to reduced hardship in the period immediately following the birth of a child.

The significant changes in the labour market over recent decades have created a strong argument for paid maternity leave. In fact in 1976 only 48 per cent of women in the peak child bearing age group of 25 to 34 years were in the labour market. This has now increased to 70 per cent, so there has been a radical change in the participation rates of women—particularly the child-rearing aged women—in the work force. In the overall child-bearing age group of 15 to 44 years, 65 per cent of women are now in paid work, and a further five per cent are looking for work. We just have to accept the fact that most women are now in paid work at the time they become pregnant. Many of them will choose to return to work after the birth of a child, so let us ensure that that can be done in a way that is healthy and that there is no discrimination in the workplace as a consequence.

There are also employer benefits. Many employers are recognising that family friendly policies and practices deliver real benefits to their businesses—such as increased staff retention and productivity, reduced costs of hiring and retraining, and improved staff morale. It has been fantastic looking at some of the businesses around Australia that provide family friendly workplaces or paid maternity leave—for example, Pacific Brands, Westpac and Esprit. Esprit is a great example of a female dominated shop and industry. A lot of female workers in Esprit stores want to have children or have had children and Esprit has worked out that it is better to invest in the people they have already trained and who have the job down pat. Why not keep those workers and thus not have to expend money in order to retrain or rehire as the case may be?

Other reasons for maternity leave include equity among workplaces and international standards. On that point, this bill provides for a 14-week paid maternity leave scheme. That is in line with the ILO convention; that is the ILO standard. As for whether or not this legislation, or paid maternity leave generally, will have a positive impact on the declining fertility rate, I suspect that is a debate others will have. It is certainly not my motive for putting forward this legislation. I have put forward legislation that amends the Workplace Relations Act because I think paid maternity leave should be viewed in that way—as a workplace entitlement designed to redress discrimination but at the same time recognise the biological imperatives that face women at the birth of a child, hence the 14-week standard. I do not think the birth rate is an issue we can afford to ignore. That is why I put on record in my previous comments in the second reading debate—and also in the Senate committee processes examining this bill—that there are reasons associated with a lack of paid leave that see families, and women specifically, not having children, not having further children or postponing having children.

This bill had been through a few processes before it got to this chamber today. I am not the only one who initiated an inquiry into,
and an examination of, the issue of paid maternity leave. As you would know Pru Goward, the Sex Discrimination Commissioner, has also examined this issue. I was very pleased to see that in her report, *A time to value*, she emulated the model that is before us today. She had the opportunity in two reports to examine what would be the most appropriate process, whether or not it should apply to all women, or working women specifically; how many weeks it should be for; whether it should be at average weekly earnings or at minimum income; whether it should apply to casuals, and whether it should involve superannuation payments et cetera. She concluded that the model that I provided, not only to her but to others in evidence before that, was appropriate.

This bill has had quite a long gestation period—ignore the pun. As I said, it incorporates some of the suggestions that were made by other senators in this place when it was examined by the Senate committee. The reality is that Australia has paid maternity leave but only for an elite few. Women in this place would know that we can access paid maternity leave. Women in the Public Service, women in some key industries and women in some big businesses can access paid maternity leave, but I remind the chamber again that two-thirds of working women are not in that position.

Why is it time to debate this now? Because we lag behind the rest of the world, because we have declining fertility rates and because both major parties have talked about work and family measures. Isn’t it time to see some action on this issue? I ask honourable senators today not to simply talk to this bill but to give us an indication of what their intentions are. Do they intend to support the bill? Do they intend to support the legislation with amendment? Do they intend to bring in their own legislation? If they do, what are the specifics of that legislation? That is my request, through you, Mr Acting Deputy President, particularly to the Labor members here today.

I know that the Labor Party is on record as supporting paid maternity leave. If we doubted it, Wayne Swan said at the Press Club yesterday that he supported it. So we have one party clearly on record supporting paid maternity leave. There is a commitment from the Labor Party and I acknowledge that. I hope that we can get some more specifics about what they will introduce if they get into office and what they will or will not support today. As for the government, I am yet to understand exactly why they have not acted on this issue. Surely they understand how important it is. They are the first to talk about declining fertility rates. At the last election they were probably the first of the two major parties to acknowledge work and family as an important issue. So what is the hold-up? I see that Senator Minchin is in the chamber. I have asked him questions on this issue before. I know that he has strong views and I welcome that debate. As one of the two men responsible for finances in this nation, I genuinely ask him: what is the hold-up? How is it that this government can provide $550 million in forward estimates for a baby bonus scheme and yet ignore the possible introduction of a paid maternity leave scheme for all working women that would only cost this government $213 million or $352 million, depending on whether or not you introduced it with the baby bonus?

The amendments do a couple of things. Firstly, one set of amendments updates the bill so that it is current. Some senators may have read the bill only recently and wondered why some of the dates or some of the figures are not correct. Obviously that is because the bill was introduced two years ago. So those amendments will solve that issue—it is certainly not a reason to oppose the legislation. Secondly, as I mentioned earlier, the
majority of the amendments seek to introduce the majority recommendations from the Senate committee. They take on not only the recommendations made in my report but also the views of others who were part of that process.

The amendments aim to ensure that eligible employment periods can be accumulated across multiple employers; that 12 months of employment can be accumulated over a two-year period; that the two-year accumulation period can occur either side of the period of leave; that no distinction is made between casual and permanent employment, that is, any eligible casual employees should have access to the government funded payment; that no distinction is made between part-time or full-time employment with no minimum hours requirement, although these factors will actually affect the level of payment; and a minimum of three months unpaid leave for all women in paid work in Australia regardless of their prior employment record, their casual or part-time status at the time, or any other employment criteria.

The amendments also provide for a review of the scheme, which is something that was suggested and which I heartily adopt, after three years. This review must incorporate, firstly, an analysis of the scope and impact of enterprise top-ups and, secondly—depending on the results of that analysis—consideration as to the demand for and the merits of an employer levy. Under the provisions of this bill, employers will continue to pay superannuation contributions to employees during the period of their paid maternity leave—I think that may answer a question Senator Nettle had for me during that process; payment can be taken at either a full rate for 14 weeks or at half the rate over a period 28 weeks; and, if agreed between the Commonwealth and state governments, all employees, including state employees, regardless of the sector in which they are employed, will have access to government funded paid maternity leave. That should answer some of the questions some senators have asked previously.

I thank the senators who are involved in this debate today. I do care strongly about this issue, as I know many of you in this place do. I put this bill forward as a way of creating some momentum around the debate and contributing to it. I am glad to say that the combined efforts of many people over the last couple of years have led to a point today where I think we will see results—I hope so—in this budget. I urge honourable senators to view this bill favourably today.

**Senator JACINTA COLLINS** *(Victoria)*

*(4.25 p.m.)*—Labor welcome the opportunity to debate today the *Workplace Relations Amendment (Paid Maternity Leave) Bill 2002*. As indicated by Senator Stott Despoja, only yesterday Mr Swan indicated Labor’s solid support for a paid maternity leave scheme. I should highlight at this stage—to avoid any confusion which others have generated in the past—that Labor’s view is that such a scheme should be provided for with no additional cost to small businesses. This has clearly been stated many times, including in the Labor Party platform unanimously endorsed at Labor’s national conference of January 2004. Although Labor support 14 weeks paid maternity leave, we do not believe that this bill is the correct vehicle for its introduction. Whilst Senator Stott Despoja might like a Democrats private member’s bill in the Senate to be the path through which the government—or, indeed, the opposition—might indicate their policies, I think that is highly unlikely and implausible. But this does give us an opportunity to indicate Labor’s view on a number of the issues that were raised through the process of this bill and its consideration in the committee.
Our view in relation to paid maternity leave generally was foreshadowed in the Labor senators’ report to the inquiry into this bill by the Employment, Workplace Relations and Education Legislation Committee. We do not believe that paid maternity leave is purely an industrial issue and we therefore question whether the Workplace Relations Act is the proper legislative vehicle for such a significant reform. Labor also have concerns about a number of details in the bill. Specifically, we remain unconvinced that the bill proposes the best solution to the complex issues around public and private funding and to whom the payment should be made—whether that is employers or employees. Labor believe these issues warrant further consideration—which we are currently conducting.

Let me go back to the critical issue here: why do we need paid maternity leave? Labor believe that paid maternity leave is a critical part of a modern policy response to work and family issues. There is an element of history here which I do not think the report itself commented on, and certainly Senator Stott Despoja did not in the discussion here today, with respect to Australia’s obligations in relation to maternity protection. Labor were on course to getting us to meet those commitments. What this bill does not deal with, as far as I can see, is the current maternity allowance. It was around the time I first came into this place, in 1995, that Labor introduced the maternity allowance. It might not hurt for us to revisit some of that history and the basis for it. The present maternity allowance, which was consequently adapted into the maternity allowance and the maternity immunisation allowance, was introduced to provide for seven weeks basic income support for women who had babies as long as they were under an income threshold of, essentially, the family tax benefit higher income cut-outs. That amount, which now is just over $1,000, was calculated roughly at the time of seven weeks of basic income support regardless of the income of your partner—unless it lifted you well above the family tax benefit thresholds. Labor’s objective at that time—and, indeed, I think that if we had made government afterwards then we would have implemented it—would have been to double that payment to equate to the 14 weeks.

Whilst it was basic income support—and I note that the report canvasses a number of options for precisely what income level we should look at for paid maternity leave—I am surprised that very few of the commentators and participants in this debate have not remembered and have not acknowledged that Labor did in fact get us halfway to meeting our minimum international obligations. In reflecting on why we need paid maternity leave, I think that Labor are able to demonstrate that we do have form, we were trying to address this problem and, had we continued in government, we probably would have resolved some, if not many, of the issues of concern.

When we reflect on the government’s response, we find that the Prime Minister has often sought to rebut the arguments for paid maternity leave by saying that it is not a panacea for work and family balance. That it is not a panacea may be so, but it is an important part of work and family policy. Given the government’s view to date, its hedging, sending off to inquiries and not responding to recommendations from the Sex Discrimination Commissioner should not be so surprising to some in this debate. I have before me an article dating back to September 1986 in which Mr Howard says maternity leave may have to go. The article says:

The Leader of the Opposition... at that time it was Mr Howard—
has said he would consider scrapping maternity leave for federal public servants.

He described the 12-month leave entitlement for women—remember, most of this 12 months is unpaid leave—

who have been employed for more than 12 months as ‘very generous’ and said a coalition government would look to abolish it.

We need to remember the government’s starting point: they question whether this type of benefit should exist. In comparison to Labor’s position so far of seeking to address the matter, the distinction is quite stark. Labor recognises the need for paid maternity leave to be supplemented by other work and family policies like giving parents a better chance of getting part-time work when they return from parental leave if that is what they want. No, paid maternity leave is not a panacea but it is a key way forward for Australian families. Paid maternity leave is about the health of our mothers and children. It provides mothers with the support they need at the time of birth.

What has become more and more alarming in recent times is the number of stories you hear of mothers returning to work well before they should. Perhaps in Australia—unlike some other countries—this is surprising to some people, but it is a recent trend as economic circumstances, such as mortgage rates and even child-care issues, start being brought to bear. Many mothers are feeling these pressures. There is a good reason why most OECD countries, most developed countries, aside from Australia and the United States of America have paid maternity leave: to try to ensure that mothers will be supported whilst they are out of the work force during the minimum period of roughly three months when they should not be working, when they should be caring for a newborn child. The health and wellbeing of both the child and the mother highlight that that is the most desirable social outcome.

The 240,000 Australian women who have babies each year need time to recover from childbirth and be with their newborn baby. It is shameful that Australia is the only developed country, other than the United States of America, which does not provide a national paid maternity leave scheme. Australia needs such a scheme to support happy, healthy mothers and happy, healthy babies. We talk about having a national agenda for early childhood. Whilst we continue to lack a specific strategy there, one clear component of that strategy should be support to enable mothers during those few months around the birth to be at home with their baby. As I said, contemporary pressures today result time and time again in cases where that is not able to occur.

If we look at the current level of paid maternity leave in Australia, we see that only 38 per cent of female employees have access to paid leave. Few Australian women receive the 14 weeks recommended by the International Labour Organisation, whose equality of opportunity in the work force survey found that only three per cent of about 1,600 organisations surveyed offered paid maternity leave of 14 weeks or more. The average period of paid maternity leave in federal enterprise agreements is eight weeks.

Perhaps more concerning than the absence of paid maternity leave is what is happening nowadays in relation to unpaid maternity leave. A recent piece of research which was published just last month in both the Age and the Sydney Sun-Herald highlights that many women are not using or are unaware of their entitlement to unpaid maternity leave. Marian Baird, who compiled the study, found that three out of four parents did not use or did not know of their entitlement to unpaid parental leave after the birth of the
child. The survey found that only 16 per cent of women and 10 per cent of men had taken advantage of it. It found that fathers were significantly less likely to take unpaid leave but that women earning more than $70,000 a year were more likely to take time off without pay to care for their newborn. So those actually taking the time are those on well-established incomes who can afford to take time off without pay. One has to continue to be concerned about the number of women, and in some cases men, who do not have the income or the assets to enable them to afford time off without pay and who continue working to the detriment of themselves and their children.

Dealing with some work issues, a national paid maternity leave scheme will ensure that no Australian women are forced to return to work for financial reasons before they have recovered from childbirth or before they feel their child is ready to be left in care. Today most Australian women have either full-time or part-time work and the number of women in paid employment is greater than ever before. In 1966 the proportion of women in the work force was 35.3 per cent. Today this proportion has risen to a record 56.3 per cent. Paid maternity leave helps women retain their connection to the workplace. A recent survey done by the government’s Equal Opportunity for Women in the Workplace Agency found that the retention rate of women returning to work after maternity leave was more than 10 per cent higher in organisations that offered paid maternity leave than in those that did not. Productivity, staff retention, employee loyalty and corporate image can often receive a substantial boost through family flexible work practices.

Westpac have reported that their retention rate of female employees increased from 54 per cent in 1995 to 93 per cent in the year 2000, partly as a result of introducing paid maternity leave. They have calculated that an increase in the return to work rate of 10 per cent in three years would cover the cost of its paid maternity leave scheme. When their return to work rate went up over 30 per cent it represented a significant return to the organisation on their investment. However, we know from the history to date that despite these organisational benefits there is considerable resistance to businesses and enterprises going down this path. The enterprise bargaining approach has not worked in this area and this is why the government must address the need for a national scheme.

Workplace connection is not the only one of the many strong reasons to support the need for a national paid maternity leave scheme. The Labor senators’ report on the bill pointed to the evidence of Professor Wendy Weeks, who provided a convincing list of reasons for paid maternity leave other than just the fertility rates. She stated that, firstly, paid maternity leave has been acknowledged by international instruments such as CEDAW and the ILO Maternity Protection Convention as a human right; secondly, it is a basic family and workplace policy in the great majority of developed nations, with the USA and Australia being, as I said, the two exceptions; thirdly, it will go some way towards addressing systematic discrimination on the basis of gender if it is provided on a national level rather than, necessarily, just on an enterprise and ad hoc basis; fourthly, it will provide some income security for women; fifthly, it acknowledges the social and economic worth of parenting; sixthly, it is supportive of families in their choice to have children; seventhly, it is responsive to women’s health needs pre and post partum and during the establishment of breastfeeding—another social objective we need to reinforce; and, finally, it values the work that women do carrying, delivering and caring for infants as work in itself.
In addition, the issue of fertility rates cannot be ignored in the debate about paid maternity leave. Australia's birthrate has dropped dramatically over the last decades. Australian women are having, as Senator Stott Despoja highlighted, fewer babies. The birthrate fell from 3.5 babies per woman in the early 1960s to just 1.7 in 2001. This is the lowest rate on record, down from 1.75 in 2000 and much worse than previous lows of 1.86 and 1.94 recorded in 1991 and 1981. Many women are delaying having a child until they have completed their education, established their career and purchased their first home—and perhaps paid for their education as well. The median age for women having their first child has risen to 30 years. The downturn in Australia's birthrate is contributing to our ageing population. This may lead to a greater proportion of the population that needs to be supported by the working-age population and will potentially contribute to problems for Australia's economic future. Yet this government's response, its own Intergenerational Report, did nothing to address this critical issue; nor did the more recent report of the Treasurer when it had a chance to address some of the intergenerational issues highlighted by our lack of support for families with young children.

A work and family framework is one of a range of measures that can contribute to a national strategy for helping arrest Australia's birthrate and help Australian families. For life now is tough for Australian families under this government. Whilst John Howard has said that he thinks that a policy mix for working families is 'about right', at the same time he says it is a barbecue stopper amongst average punters. Essentially, you cannot have it both ways, and Labor certainly does not agree that the current mix is about right. The Howard government's attacks on workers' conditions have stripped many provisions for working parents from industrial awards and diminished the ability of workers to bargain collectively. This was recognised by the Prime Minister's own interdepartmental task force into work and family, which noted that the government's award simplification process had removed a provision that gave parents returning from part-time leave the right to ask for part-time work. Labor is committed to restoring this right, and it will be constructive and not destructive. We need to be very constructive about women's access to part-time work—another one of the promises of the Prime Minister that he will address—and the effective marginal tax rates that that often attracts as their work interacts with the social security and tax system. Again, this is something that we have not seen any action on although it has been an issue on which rhetoric has flown for quite some time.

When Senator Stott Despoja was reflecting on the International Labour Organisation, it reminded me of one element of the Australian industrial relations system that I do value quite dearly—one that still, fortunately, does remain. Conditions that part-time workers attract, if they are actually characterised as part-time—and we know what has happened with the growth of casual work—are the same as entitlements of a full-time worker. This is something that I took for granted for many years until at the ILO I discovered that in many European countries they did not have the same tendency to provide the same entitlements to part-time workers as they do full-time workers. This is a critical component of our industrial relations system that we must preserve—and indeed enhance. This is why Labor says that we need to look at ways through our industrial relations system of enhancing the ability, particularly of parents with young children, to move to part-time work if that is what they need to do to manage their work and family lives and if it is reasonable within
the business environment in which they or their employer are operating.

Unfortunately, the enterprise bargaining philosophy has not been delivering this, as indeed it has not been able to deliver paid maternity leave. Perhaps it is one of the most fundamental aspects of the system that the Prime Minister and many others ignore when they think, ‘Well, people can bargain for these additional entitlements.’ They fail to understand the intrinsic nature of the bargaining relationship between most employers and their employees. Most employees are not in the position to issue demands for additional pay, additional conditions, paid maternity leave or definite access to part-time work.

Senator McGauran—Then why are AWAs growing?

Senator JACINTA COLLINS—Senator McGauran asks me about this point. Certainly the power relationship means that a casual or part-time checkout operator within the Coles Myer corporation is not in a position to bargain over those sorts of conditions. In fact, they are often struggling to bargain about some regularity of their working hours so that they can fit with their access to child care so that they can indeed work if they have a young child. These are the issues that confront average workers on a day-to-day basis. Unfortunately, some of the changes that have occurred in our industrial relations system have made this worse. We now have workers who have lost their protections about when they can have their rosters or their work changed, and that then prevents them from combining their work with suitable child-care arrangements. They cannot access the type of work they need. The government needs to understand this aspect of the situation, but unfortunately it seems far from comprehending the problems of day-to-day life for many workers with young families.

Senator KNOWLES (Western Australia) (4.45 p.m.)—Today we are debating the Workplace Relations Amendment (Paid Maternity Leave) Bill 2002. In so doing, I think it is important to state from the government’s perspective that the Prime Minister has indicated on a number of occasions that maternity leave is one of the issues being considered in the context of building on the government’s family and work policy. But in that context we have to make sure that whatever changes are made are fair to people who choose either to work or to stay at home. I say that because one of the difficulties we could have in trying to do something like this is that we end up with one group of people actually being better off than another group of people who choose not to go back to work or who choose not to be in the work force to start with, and that is an important area. There is a fine balance in all of this also in making sure that we do not remove the choice of women and the choice of families in what they are going to do. In doing that we need to be cognisant of the fact that many families choose to work straight after the birth of a child or, in fact, to have the father of the child take over the care of the child.

What we are very careful and mindful of is that we have increased that choice by assisting both men and women, particularly women, with increased wages and increased availability of child care. We have increased so many of the areas of assistance to families so that they can make the choice. I think it is worth noting that when we talk to young women, as Senator Patterson mentioned in the Senate only the other day, opportunity and choice are the two things that they want and that they consider are sacrosanct.

This government has given $11 billion in assistance to families through family tax
benefits—almost $2 billion a year more, which means about $6,000 per family. In addition, we have funded family tax benefit B, which enables a member of the family to stay at home; it gives the family that choice. That is really what we are concerned about in the entire overview of this particular policy option—to make sure that we do not undermine choice but that we enhance what families actually want for themselves. It was interesting reading part of the report of the inquiry that the Senate Employment, Workplace Relations and Education Legislation Committee conducted back in 2000 which says:

Evidence before the committee indicates the pitfalls of assuming that benefits can be standardised for those in paid work and for those ... who stay at home. It is difficult to achieve this aim without creating perceptions of unequal treatment. That, I think, is our primary consideration. It was interesting listening to Senator Collins’ contributions, because her ideological fixation on having the trade union movement being paramount in this country is just so outdated. People have voted with their feet. They have decided where they are going to stand on this issue. They have walked away from the trade union movement in favour of going and negotiating at an enterprise bargaining level. The general direction of the workplace relations reforms has been to give Australian workers and employers the opportunity to resolve workplace relations issues in the workplace through certified agreements and Australian workplace agreements. If paid maternity leave is desired by those who are involved in those negotiations and they want it as part of their working conditions, it can be discussed as part of the usual process of negotiating certified agreements under the act.

It is interesting that the Labor Party still have this fixation of making sure that workers are somehow attached to the trade union movement with a ball and chain, when we have seen the results of a Business Council of Australia survey in 2003 that highlighted the fact that tackling the issues of work and family effectively requires strategies, policies and activities that can be tailored to particular circumstances and employees rather than assuming a one size fits all solution. A very interesting result was that 93 per cent of the companies surveyed offered flexible working hours, including flexible start and finish times. That reminds me—if I may interrupt the flow of those figures—of something that happened under the Labor Party. I remember there was a clothing manufacturer in Victoria with a predominantly female employee base, and quite often a lot of those employees were of overseas origin. They went to their employer and asked whether they could have a half hour instead of an hour for lunch and sacrifice their quarter of an hour morning and afternoon tea breaks so that they could finish an hour earlier to go and pick up their children from school. The employer said: ‘That’s fine by us. That’s okay. No problem.’ And do you know what happened? The trade union movement said, ‘Oh, no you don’t; we’ll close you down.’ So the female workers had to oblige the trade union bosses and not go and pick up their children after school. That was under the Labor Party government.

Senator George Campbell—What was the name of the company?

Senator KNOWLES—I do not recall the name of the company, Senator.

Senator George Campbell—You should put it on the table or go and check it out.

Senator KNOWLES—Senator George Campbell, who is just an old Labor union hack, comes in here and says, ‘Do you remember the name of the company?’ We are talking about 10 years ago. He would not
have been able to remember his name 10 years ago.

Honourable senators interjecting—

The ACTING DEPUTY PRESIDENT (Senator Brandis)—Order! Senator George Campbell, Senator McGauran and Senator Buckland, Senator Knowles has the call.

Senator KNOWLES—Thank you, Mr Acting Deputy President. It is interesting that, under the Labor government, that was what happened to workers who tried to negotiate with their employers. But I go back to the figures of the survey of the Business Council of Australia: 88 per cent of companies offered job sharing, 74 per cent offered paid maternity leave, 53 per cent offered paid maternity leave with an average of a week, but 88 per cent offered work from home arrangements, 13 per cent offered work based child care and 69 per cent offered family support groups and services.

I think even that survey indicates that there is a willingness in businesses to resolve these issues to their own benefit. Quite frankly, if any of these people on the other side had actually run businesses, like most of us on this side have, they would understand that it is not in the business interest to have a high turnover of staff. It is in the business interest to train one’s staff and to have them there in continuity and, if they need special requirements, to try to accommodate those special requirements so that you do not lose the corporate knowledge and the corporate training that the business has invested in that individual.

Senator Stott Despoja mentioned in her contribution that there are many examples of success stories, and she mentioned the company Esprit. I would like to quote from their evidence to the committee. They said:

Esprit offers up to 12 weeks paid maternity leave for a full-time colleague of more than two years service. These colleagues must intend to return to the same or a similar position on their return to work.

Esprit also offers a flexible return to work policy for colleagues who wish to return to work within six months of maternity leave. Such a colleague would then have another 120 days owing of maternity leave to use. For example, a colleague might return to work for two days a week after five months, increasing this to three days a week after seven months and then to four days a week after 10 months from the start of leave. She would then be able to work four days a week for a further two years following the end of the initial 12-month maternity leave. This policy allows our colleagues the flexibility of working part time, thus finding a balance between family and work in their child’s early years. It also allows the company to have their valuable colleagues back in the business sooner. Other aspects of our family friendly policy include flexible weekly working hours to fit in with family responsibilities, car lease payment assistance during maternity leave, utilising sick leave for family emergencies and the flexibility to be able to work from home when the need arises.

I do not think anyone in their right mind would suggest that they want to turn back the hands of time to what the Labor Party, in particular, wants—that is, trade union domination where one size has to fit all—when we have made huge gains in the private sector with the workplace relations legislation and when we now have so many more people in the work force, in particular so many more women in the work force. Senator Collins said that Labor have form on this issue. They sure have form. Let me just give you a couple of examples of the form they have. The unemployment rate was at a peak at 10.9 per cent under Labor. That was the form they had.

Senator George Campbell—It was over 11 per cent under John Howard in 1983. Did you forget about that?
Senator KNOWLES—Isn’t it amazing how Senator George Campbell just plucks figures out of the air. He does not care less about the facts, but let us just go on and ignore him. The unemployment rate was nearly 11 per cent under Labor—a million people out of work. That was their form. They had a million people out of work, whereas now there are 583,000. When it came to female unemployment, they had nearly eight per cent. It is now six per cent. When it came to things like average weekly earnings, they had an increase of 7.6 per cent—as opposed to the 16 per cent under this government. And you can just go on and on about the real value of wages. The real value of wages between 1992 and 1996 under Labor dropped by 2½ per cent. Under this government it has gone up by 6.5 per cent. It was in a negative under Labor and it has gone up under the coalition—and they still want to hark back and say that everything has to be done through the trade union movement.

This is a particularly important area for a lot of people, and for Labor to just continually want to look back over their shoulders to the past creates a very big problem. There are, we have to say, some potential legislative anomalies in this particular bill. That is not to say that this whole issue does not need to be considered in the broader context of what is happening out there in the marketplace. Some of the anomalies were identified in the committee inquiry, and they related to the way in which existing paid maternity leave schemes would mesh with the model proposed in the bill and that, potentially, the bill would undo the substantial progress made under the government’s reform of workplace relations processes and increase the outlay of public funds to provide a benefit which these particular employees already receive.

One has to be very careful with legislation such as this that we do not end up underlining what has already been achieved and allow employers to effectively just wipe their hands and say: ‘We don’t have to do that anymore. The taxpayer is going to do that.’ I do not think that is in the economic interest of this country. The economic interest of this country means that we try to get agreements by employers and employees. If we are simply going to hand the whole responsibility back to the ever-loving taxpayer, we will have to look at the consequences of that as well.

Interestingly enough, the ACTU also suggested at that inquiry that the complex Commonwealth-state funding issues that would arise from this bill could create anomalies as well. So it is not just something that one has to look at from that point of view, or that point of view, or that point of view. We have to take into account the whole spectrum of what would be affected under this particular type of legislation. Instead of rushing in and doing something like this, we have to take into account what is currently out there in the marketplace and what could be usefully achieved in benefits for those particular people. Above all, we must make sure that we do not remove the choice that families want to make for themselves, and we must not create a benefit for one group in society that is not extended to others.

That is where the difficulty could arise with this bill. So, with those words of caution and those words about where Australia has marched forward on this issue, I would suggest that far greater consideration needs to be given to this proposal than one day of debate in the Senate.

Senator MURRAY (Western Australia) (5.01 p.m.)—I am pleased today to stand to speak on the Workplace Relations Amendment (Paid Maternity Leave) Bill 2002, a private senator’s bill introduced by Senator Stott Despoja with strong support, obviously,
from her party room. I am also pleased to be able to put on the record what I have said privately to both Senator Stott Despoja and the party room over a long period—that is, my congratulations to the senator for the strong, vigorous, persistent, consistent and well-argued campaign that she has carried out in this field. I think it is very much in Australia’s national interest that we have this debate. I think it is an important part of social architecture that we should seriously consider introducing.

The coalition, particularly the Liberal Party, often like to describe themselves as conservatives, and within the philosophy of conservatism is a strong attachment to, and belief in, the family. There is nothing more conservative and there is nothing more valuable than children and their nurturing and early support. I would suggest to you that this is one of the most conservative of proposals—small ‘c’—and I am quite surprised by how vigorously some members of the government oppose it. Those members are often very much small ‘c’, even very much capital ‘C’ conservatives—usually males, and their opposition is a bit disappointing. But it seems to me that their rejection of this is inconsistent with their basic belief. If that rejection were based on cost, I could perhaps understand that because one of the things that conservatives believe they have is a good sense of the value of money. But the cost is not high. The greatest proponent on the government side—and I do not mean the political government side, I mean the administrative government side—Ms Goward, has costed this at a very affordable rate. It is far less indeed than the deal we saw culminate today with the passage of MedicarePlus. So I must say that I found it surprising in my own understanding of the very strong attachment that conservatives have to family and its nurturing.

In addition, we think the social benefits are matched by credible economic benefits, and they are verified by sound international study. It is widely recognised that Australia lags behind the international community with respect to support for women when they have a new child, particularly women in paid work. Australia is one of only two OECD countries without a national scheme for paid maternity leave. Quite often if you are out of step it might be that you are listening to a different drummer, but quite often in international affairs if you are out of step it is because you are out of step. I recall that, during the GST debate, the Treasurer had great delight in pointing out how few OECD countries did not have a consumption tax. We, with equally great delight, point out to the Treasurer how few OECD countries do not have a national scheme for paid maternity leave.

There is a reason for that: it contributes to and delivers very sound social and economic outcomes. Not only are we behind the rest of the OECD in implementing 14 weeks paid maternity leave; countries like the United Kingdom have six months government funded paid maternity leave. So it is not as if we are proposing a very advanced model here. This is a minimalist model, and a very affordable one.

Equally, I say to my Labor colleagues that, although I have not had the opportunity to listen to all that you have said, I understand there have been some concerns about some elements within the bill. Senator Stott Despoja by her own circulated amendments on sheet 4191 has recognised that the bill needs adjustment, and we will accept any amendments that you put to this bill that fall within achieving the broad objective that we are after. It is not good enough just to say, ‘Not everything in the bill is what we’d like.’
Eighty-eight per cent of Australian women work before having children—that is, work in terms of paid work. I think 105 per cent work otherwise! Yet Australia has one of the lowest employment rates in the OECD for women with two or more children—43 per cent compared to about 59 per cent elsewhere. With all eyes on how to increase labour force participation to offset the ageing population and looming skill shortage, shutting a large section of productive workers out of the labour market is not smart economics. Instead of trying to force people off disability support and making people work longer, the government should be doing its utmost to provide support to mothers so, if they choose to, they can return to the work force. Without pressure to change—and that comes from policy makers such as the people in this chamber—workplaces often do not. A recent University of Sydney study found that 57 per cent of Australian workplaces do not provide paid maternity leave.

While the Democrats have supported enterprise bargaining, recent statistics show that the take-up of family friendly practices is low. While it is pleasing that 42 per cent of federal agreements contain at least one family friendly provision, the majority, 58 per cent, do not. The consequence of not having paid maternity leave is that many women are forced to take annual leave or long service leave, return to their job within a week of childbirth or resign from their job. Senators who know me know that I take an intense interest in matters that affect children and I have been reading the literature. There is a concept known as ‘affect’, which is the relationship that builds between a child and its mother. It is very important to nurture and sustain that attachment at an early stage. It is very important to do it consistently, particularly in the early months of a child’s development. If you want to contribute to sound human beings, Australians who get a good start in life, you need them to be attached to their mother in a comforting and sustaining manner early on. This sort of measure contributes to that.

It is low-paid mothers, many of whom are employed in casual or part-time jobs, who are the least likely to have access to paid maternity leave. There has been concern in some areas of business about the potential cost of paid maternity leave, especially to employers who employ many women, especially those in small business. The Australian Democrats think those concerns are absolutely legitimate. Some people are concerned that forcing employers to provide paid maternity leave would lead to greater discrimination against women because they would be less likely to employ women. We take the view that there are some employers who just cannot afford to pay maternity leave at the level that is required. This is a social need and this is a measure which benefits society, and that is exactly why we need government funded paid maternity leave, not employer funded paid maternity leave. Let employers who can afford it add to the 14 weeks we propose. Let employers who can afford it add extra conditions or advantages to the system. But we believe that the basic government system should take the burden away from employers to ensure that all women have access to a maternity payment.

The government’s indecision on implementing government funded paid maternity leave is having unintended consequences. According to the ACTU, 15 per cent of employers have halted efforts to implement paid maternity leave while waiting for the government to make a decision on the issue. I should remind the government that this bill is supported by key industry groups such as the AIG, which I deal with a great deal in my portfolios and have a high opinion of, and the Australian Hoteliers Association and, of course, on the employees side, the unions.
Government funded paid maternity leave is well overdue. The reason for it is clear: to overcome the disadvantage and inequity women face in the workplace as a result of child-bearing. But it is not a measure just for the benefit of women. It is a measure for the benefit of children. It is the children on which the future of Australia rests. The biological imperative for women to take a break prior to and after childbirth is in the mothers’ interest, it is in the children’s interest and it is in society’s interest.

This measure addresses the physical reality that distinguishes women’s workplace experiences from men’s on the birth of a child. In this sense, paid maternity leave is a basic and essential workplace measure to prevent indirect discrimination against women who, I am told, can forgo between $160,000 and $239,000 in earnings as a result of their first child alone, depending upon their qualification. Paid maternity leave, therefore, is an employment related measure that recognises, first and foremost, the benefits of at least 14 weeks paid leave for working mothers, their children and their families, along with its contribution to equal opportunity at work, productivity and women’s employment security and attachment. We would urge the Labor Party and the coalition in their preparation for the election to support this measure if they are not going to support this bill today. The coalition is clearly committed to opposing the bill tonight. We would like to bring this to a vote and we would like the Labor Party to support it. It would be a great symbol for the women and children of Australia.

Senator NETTLE (New South Wales) (5.13 p.m.)—I rise to speak on the Workplace Relations Amendment (Paid Maternity Leave) Bill 2002. The Australian Greens believe that it is a disgraceful situation that Australia is only one of two OECD countries, as Senator Murray has said before me, people have six months. In the UK they recently extended the government funded paid maternity leave system from 18 to 26 weeks. On the international level, Australia also has not ratified the ILO convention that deals with maternity protection. That means we are in a situation in Australia where fewer than four out of every 10 women have access to paid leave on the birth of a child and most men have no access to any type of special leave on the birth of a child. This is despite the overwhelming support that exists in the Australian community for a parental leave system. Indeed, there is also majority support in the country for a paternity leave system.

Most Australians who have access to paid leave earn above $40,000 a year. They tend to be highly skilled professional workers who are employed mostly in large organisations that have the industrial power at the bargaining table to get these sorts of things into enterprise agreements. That means that the people who need parental leave most—that is, those on low and middle incomes who need additional help with the cost of having a child or those who are working in small businesses—are the ones who are missing out on getting any form of leave at the moment. They will benefit little from the government’s regressive baby bonus. We all acknowledge that the baby bonus is regressive in that the more you are earning the more you get back.

In the cabinet document that was leaked just last month, the government acknowledged that 14 months ago a submission to cabinet said that they should abolish the baby bonus, introduce a paid leave scheme and boost child care but we have seen no response. There has been a big blank coming from the government. The Senate has backed a Greens motion that was put up before to
abolish the baby bonus in favour of paid parental leave. A whole range of organisations have come on board to support it, as the previous speaker mentioned. Even the Australian Industry Group has come out to support the introduction of paid maternity leave. It has now been 15 months since the federal Sex Discrimination Commissioner reported on the need for paid parental leave, but still we have that big blank coming from the government on the other side of the chamber.

In the Prime Minister’s white picket fence vision of the world, all women stay at home to raise their children. This is reflected in the baby bonus, which pays women more money the longer they stay out of the work force. That is an acknowledgment from the government that they miss the point: one of the major benefits of a paid leave scheme is that it allows women to maintain their attachment to the work force. Women want to maintain their attachment to the work force for a range of different reasons. It may be for income reasons—for example, sole parents may need it financially. As the government supports sole parents being pushed into the work force, this is reflected in the baby bonus, which pays women more money the longer they stay out of the work force. That is an acknowledgment from the government that they miss the point: one of the major benefits of a paid leave scheme is that it allows women to maintain their attachment to the work force. Women want to maintain their attachment to the work force for a range of different reasons. It may be for income reasons—for example, sole parents may need it financially. As the government supports sole parents being pushed into the work force, this is reflected in the baby bonus, which pays women more money the longer they stay out of the work force.

In terms of the bill that is before us today, the Greens support an 18-week paid parental leave scheme paid up to average weekly earnings. We acknowledge the work that has been done. I acknowledge the comments that Senator Stott Despoja has made about this bill being designed to make a contribution to the debate and asking people to put forward their positions on these issues. The Greens support an 18-week paid parental leave system which would pay up to average weekly earnings. The reason we support that is that it would allow 75 per cent of women to get a replacement wage whereas a minimum wage scheme would only allow for somewhere between 35 and 48 per cent of women to get a replacement wage. That is what we support and that is what we believe Australia can afford. I acknowledge the amendments that have been sent around in relation to state and Commonwealth employees. It is important that they become part of the whole picture and part of any paid leave scheme that goes forward. I know that the opposition support a leave scheme. I am probably exaggerating to say that we wait with bated breath, but we all wait to see the scheme that is announced by the opposition.

I am a little bit concerned about the comments in relation to the right to return to part-time work after somebody has been on leave as a result of the birth of their child. In the United Kingdom, the onus is on the employer to justify why the individual cannot return to part-time work. I note the comments that Senator Collins made and the comments that the ACTU have previously made that people should be able to return to part-time work but only if it is reasonable. My question would be: where is the onus? Is the onus on the employer or is it on the employee to justify being able to return to part-time work?

I will preface the Greens’ vision for having paid parental leave by saying that we believe this is important to acknowledge the work that parents do and to acknowledge the caring work that is done by people in our community in an unpaid capacity. We recognise that paid parental leave is just one step—adequate support for carers in the
community is also a part of that—but we need to acknowledge the unpaid work of parenting to bring up the future generations of young Australians. This was certainly in our minds when we launched our position in relation to paid parental leave in April last year. The Greens advocate the abolition of the regressive baby bonus and the redirection of those funds into a scheme for 18 weeks of replacement income up to average weekly earnings. We also support a further 34 weeks of unpaid leave with the right to return to work at the same or equivalent position or to return to work part time with the onus being on the employer to say why an individual cannot return to part-time work.

We believe that payments should be to full-time, part-time, casual, seasonal, contract and self-employed workers who have been employed for 40 of the previous 52 weeks or for 52 of the last 204 weeks. That is based on a recommendation from the Human Rights and Equal Opportunity Commission. I acknowledge that there are some amendments that relate to that. A quick glance at the amendments shows that they are related to unpaid leave rather than the paid leave component but the Greens support the position put forward by HREOC in allowing seasonal workers who have worked for the last 52 of 104 weeks to have access to the paid leave entitlement. We also support partners sharing the leave in a way they believe is appropriate and for leave to be available for people who are adopting a child. Our proposal directs employers to pay superannuation for the period of paid leave and encourages them to top up wages for those earning above average weekly earnings.

We support—and I know there was some talk of this in the chamber before—a review after three years. The Greens are talking about it being an 18-week model. We would want a review in three years that would look to extending it to 26 weeks, as we have just seen recently done in the United Kingdom. Independent costing for the Greens’ model shows that the scheme could be immediately funded by scrapping the regressive baby bonus, which we talked about before, and making family tax payments more equitable. The money is there, as others have said; what we need is a commitment. We have heard the announcements several times—the barbecue stopper, the balance between family and work. What we need now is to be shown the commitment behind those announcements. Show us the scheme. Show us the real commitment this government has and often talks about in terms of balancing work and family. It is vital that we have such a scheme and it is vital that it meets international standards and guidelines.

The Greens believe it is vital that it be treated as a work entitlement and not as a welfare measure and that it go along with a range of other measures, such as maternity allowance and adequate provisions for casual and part-time workers, so many of whom are women. For women to leave their positions for a period for the birth of their child and then come back, we need strong conditions for casual and part-time workers. The Greens are strong supporters of paid parental leave. Our model is slightly different to the one being advocated here, but we welcome the opportunity to be involved in this debate in the Senate today.

Senator KIRK (South Australia) (5.23 p.m.)—I rise to speak this afternoon on the Workplace Relations Amendment (Paid Maternity Leave) Bill 2002, which is a private member’s bill presented to the Senate by Senator Natasha Stott Despoja. At the outset I would like to congratulate Senator Stott Despoja on her commitment to this very important issue over a long period of time and congratulate her on bringing it before the Senate and to the attention of the government and the wider electorate. Work responsibili-
ties are increasingly threatening most families’ abilities to provide the kind of family life they want. However, very few of us today have the luxury of being able to choose not to work, and this is the case for many, many Australian women in the community. The question of how to bridge the work-family life divide is one of the great political debates of our time.

We have heard today that the Prime Minister, Mr Howard, suggested that this issue was his third term barbecue stopper, but it has been more than just a barbecue stopper for ordinary Australian families. For most families in the Australian community, this work-family life issue has been a topic for discussion over almost every meal, not just the occasional barbecue. People in this place and elsewhere in the community have waited a very long time for the government to actually go some way towards providing Australians with a real solution to this problem.

The Prime Minister first raised expectations of significant reform in this policy area as early as 2002, when he described balancing work and family as the most important social issue facing Australia. Since then we have seen very little. Although we have had a cabinet-level policy review and the release of the Sex Discrimination Commissioner’s plan for a government-backed universal scheme providing 14 weeks paid maternity leave up to the level of the minimum wage, we have had from the government—from the Prime Minister and his ministers—no concrete new policies whatsoever over the past couple of years. All we have seen from the Prime Minister and his senior ministers—including the Treasurer, Mr Costello; Mr Anderson; Senator Minchin and Mr Abbott—is public attacks on paid maternity leave proposals. In these public statements the government have said that paid maternity leave will not provide a cure-all solution to work and family problems, including support for stay-at-home mothers. There would not be many people in this place who would disagree with that. Of course we agree that paid maternity leave is not going to provide a cure-all. Supporters of paid maternity leave have never suggested that. They have always been open to the fact that paid maternity leave is only one of the aspects of balancing work and family life that needs to be given attention to.

Of course, there are a range of other measures in addition to paid maternity leave that would provide choice for working parents at different stages of their lives. Some of these other benefits would include more flexible working hours, secure part-time employment rather than the increasing casualisation of the employment market that we see at present, extended or even unpaid parental leave in some circumstances as well as emergency family leave and, crucially, more affordable child care. It is certainly the case that paid maternity leave is not going to be the cure-all, but it is certainly a good place to begin, and it has been the focus of public debate for at least the last 12 months or so.

The balance that needs to be found between work and family cannot just be addressed on one side. Women in particular should not have to choose between adequate income and adequate time with their families. Recently released ABS statistics show that one-third of working new mothers returned to work less than 26 weeks after having a baby. This includes 12 per cent of employed new mothers who returned to work after less than 13 weeks. This is only about three months after the birth of their baby. Of course, as we have heard, the reason for these women returning to work is not necessarily because they want to get back into the work force but because they have to in order to survive—to earn an income for their family and to sustain the standard of living they were accustomed to before they had their child.
For women in households where there are couples, 54 per cent of mothers with children under two are in the labour force. More than 50 per cent of mothers have returned to the labour force, yet they have children under the age of two. Over the 25-year period between the years 1976 and 2001, the proportion of mothers of children under 12 months old who were in the labour force more than doubled from 17 per cent to 36 per cent. This represents the changing nature of the work force and the changing demographics. These are things we need to become aware of and so develop appropriate policies to meet the changing nature of the work force. It is the case that at any one time around one-third of mothers are outside the labour force, but they are not necessarily the same women who have permanently exited paid employment. In fact, the latest ABS data suggests that only 17 per cent of mothers of children under six have not returned to work.

So, because of the statistics that I have cited, I think that those people out there who seem to have difficulties with paid maternity leave need to acknowledge that it is just one of the many policies that provide important grounds on which to build a range of more family friendly policies. We on this side of the chamber would like to see Mr Howard, now that he has confirmed his long-term leadership ambitions, take the opportunity, sooner rather than later, to act to end what has effectively become this government’s work and family policy paralysis.

I now turn to what Labor has announced publicly. As was made clear by other speakers, including Senator Collins, in the chamber earlier this afternoon, Labor’s policy is not publicly available as yet but we have laid out a number of the principles on which our policy will be based. To reiterate them, it is the case that Labor are committed to 14 weeks paid maternity leave. We want Australian families to have more financial options available to them in balancing work and family. We are of the view that it is not unreasonable for workers to come back from parental leave and then seek a part-time job. It is not unacceptable to give casual workers greater security, and of course with this job security workers and parents are better able to look after their families. It is not unreasonable in our society to have workplace flexibility: job sharing and allowing employees to plan their hours and their holidays around the needs of their children. We do not want people to have to choose between being a good parent and being a good employee. In a society such as ours, you should be able to do both with the support of the government and the community.

As many speakers have acknowledged in the chamber today, Australia is one of the few countries in the world where paid maternity leave is left to separate enterprise bargaining or workplace agreements. Perhaps inevitably, this has led us to a situation where the highest incidence of paid maternity leave is recorded amongst managers, administrators and professionals. In fact, I have here some Australian Bureau of Statistics survey results, dated November 2001, and I will mention this afternoon some of the statistics as to where the highest incidence of paid maternity leave is recorded. For managers and administrators, 65 per cent is the figure that the ABS found in relation to paid maternity leave is recorded. For managers and administrators, 65 per cent is the figure that the ABS found in relation to paid maternity leave in those occupations. For professionals it is 54 per cent. So you can see from these figures that women in the higher echelons of the work force are the ones who are benefiting from paid maternity leave insofar as it does exist.

The lowest incidence of paid maternity leave was, not surprisingly, recorded in the following occupations. Among elementary clerical, sales and service workers, only 18 per cent of women have access to paid maternity leave benefits. In the case of labour-
ers and related workers, just 21 per cent have access to paid maternity leave. The ABS survey also found that access to paid maternity leave was higher the greater an employee’s length of service with an employer. This means of course that it is going to benefit those people who have been with a particular employer for a longer period of time, whereas those women who have perhaps been with a particular employer for only a short time are not going to benefit from these schemes.

The ABS survey also found that a higher proportion of part-time employees were without leave entitlements, 64 per cent, as opposed to full-time employees, of whom only 12 per cent were affected—that is, they were without leave entitlements. So it is pretty clear from these figures that many low-income women would have no current eligibility for any form of maternity leave. Also, there is little likelihood of these women gaining it through enterprise bargaining. It is these types of women, people in the low-income brackets and in the occupations that I have mentioned, who are going to benefit substantially from any successful proposal for paid maternity leave.

As we have heard today, the Prime Minister has continually promised that paid maternity leave is still on the table, but it seems to me and to many of us on this side of the chamber that he really is just trying to sweep the issue under the table. The lack of support from the Prime Minister is not new. I believe Senator Collins cited an example of a comment the Prime Minister made publicly as long ago as 1986 when he was Leader of the Opposition. At the time he described some proposed changes for federal public servants relating to maternity leave as ‘plainly ridiculous’. He also made it clear at that time that a coalition government would consider scrapping maternity leave for public servants. More than a decade later—15 years or more—the Prime Minister still has not got the issue right. He still has not realised that time has moved on, society has changed and there is this need for paid maternity leave in our work force.

Also, as has been mentioned, since the coalition came into office they have introduced the baby bonus. A number of people have talked about the regressive nature of the baby bonus. It is pretty clear to people that this baby bonus scheme is skewed towards wealthier women in our society. These women receive more of a bonus than lower paid women and it is dependent on one parent giving up their work. On average, the baby bonus delivers just $10 a week to a family on an average income and, again, it is on the condition that one parent remains outside the work force for five years. The baby bonus, resulting essentially in the loss of one wage with a pittance for compensation, is a very poor cousin to a system of paid maternity leave.

Unfortunately, Labor has indicated that it thinks the Democrats’ paid maternity leave bill is—like the government’s baby bonus scheme—an inadequate attempt at solving the work-family life balance, as good as its intentions are. As Labor senators mentioned in their dissenting report—I was not a member of the committee but this is clear to me from the dissenting report to the inquiry—the concerns of Labor senators were whether or not a workplace relations bill was the appropriate vehicle for the introduction of a paid maternity leave scheme. There was also concern about eligibility for paid maternity leave being restricted to only working mothers, the lack of sufficient support and consistent access to paid maternity leave for women employed in state governments and, finally, the funding of the proposed maternity leave scheme.
Despite much talk by the government on work and family, as we are all very aware and as we have seen today, the government has made no clear commitment whatsoever to the introduction of any form of paid maternity leave. On the other hand, the Australian Labor Party has committed to the introduction of a paid maternity leave scheme and also to a comprehensive work and family package for Australian families. Labor has committed to introducing paid maternity leave as part of a package of work and family measures so that women in particular do not have to choose between their job and raising a family. The government’s objections to paid maternity leave reflect its failure to understand the pressures facing Australian families who want children, who want a family, but who cannot afford not to work.

Paid maternity leave is, as I have said throughout the course of my remarks today, just one of a number of work and family measures. By itself it is unlikely to offer a solution to the multiple pressures that people will face in deciding to make the commitment to having and raising children. It is, however, a step towards bridging the gap between women’s desires and women’s realities. It is also a step, I believe, towards shaping the kind of society that we want to live in here in Australia—not one where high private costs deter even those who want children from having them but one where government policy enables families to combine work and family life and to avoid the either/or choice of being a good worker or a good parent. I would like to end with a simple quote from the Sex Discrimination Commissioner, Pru Goward, that really sums up the basis of this debate. She said:

It’s time motherhood received the respect and support in Australian society it deserves.

I am very pleased to have been able to contribute to this debate this afternoon and, again, I commend Senator Stott Despoja for her continued interest in this matter.

**Senator SANTORO (Queensland)** (5.42 p.m.)—I sometimes wonder when I listen to those opposite whether I belong to the government that I belong to. They attribute motives to us that are not our motives. They attribute a type of performance to us that is not our performance. They attribute to us statements that we have never made. They basically seek to denigrate the public record and, in the instance of this debate, the achievements of the Howard government. They do so without any shame and they do so without any hesitation. I ask myself, ‘Is this really the government I belong to that is being described by members opposite, and just very recently by Senator Kirk?’ I have sat here in the chamber and listened to most of the speakers because I wanted to be able to respond very specifically to some of the statements that have been made, including those made by the mover of the motion. I am disappointed by some of the misrepresentations that have been put forward by some of the other speakers opposite.

The first major point I want to make for the benefit of those people listening is that the Howard government is not against paid maternity leave. That statement has been made by everybody who has been mentioned as being against maternity leave. It is a statement that I know Senator Minchin supports. I know it is a statement the Prime Minister supports. It is a statement that I think anybody would support because it really is about motherhood, and paid maternity leave should be considered within a policy mix. We all support motherhood. Paid maternity leave is something that should be considered within a policy mix. It should be considered and debated and I think it is tremendous that we are having this debate this afternoon because it gives those of us who feel pretty
strongly about it the opportunity to say a few words about this important issue.

At the beginning of my contribution to this debate I would like to draw on some very strong statements by the Prime Minister because, in the end, leadership is important and the Prime Minister is one of those leaders who says it as it is. He said recently that he had indicated at the Liberal Women’s Conference at the Liberal Party’s National Convention that the government is not opposed to paid maternity leave and that any statement to that effect is absolutely wrong. He went on:

I added that it is also important to keep the issue in perspective and that we should not fall into the trap of attributing outcomes to paid maternity leave that simply aren’t going to accrue.

During the rest of my contribution tonight I want to come back to outcomes and cause and effect situations that have been quoted in this debate. This is obviously a very emotional debate. Obviously, if paid maternity leave were available to all women, all women would partake of it, and so there is support for the idea amongst many in our community, particularly women. But I also acknowledge that there is support for the idea amongst many men. There are those on the other side of the argument—mainly employers, but not exclusively employers—who say: ‘Look, who’s going to pay for it? If it is the government, how is the government going to raise the resources necessary to fund paid maternity leave? If it is going to be funded directly by industry we need to consider whether we are in a position to afford to pay for maternity leave, whether it is 14 weeks, 18 weeks or 12 months.’

That is the process of reasoning that is undertaken by employers, because one of the key aspects of an employer’s psyche, as speakers before me have mentioned here this evening, is their desire to maintain job security for their employees. They have a desire to maintain continuity in the work force and to keep employed the people they have trained and welcomed into their employer families. They fear additional cost imposts. Paid maternity leave, if it were to be funded directly and compulsorily by employers, would represent just one of many imposts which members opposite constantly ask the government to impose on business.

**Senator Stott Despoja**—I agree.

**Senator SANTORO**—I take the interjection from Senator Stott Despoja. She agrees with that line of argument. I appreciate her sensible—and, from an employer perspective, sensitive—interjection. Employers are strongly against any suggestion that it should be paid directly by them—not because they do not want to do it, not because they are anti mothers and anti children and not because they are the mean spirited so-and-sos that members opposite often try to convince us they are but purely because they have to look at the realities that exist out there in the workplace and in their places of employment specifically.

I cannot understand why some statements are made in relation to the motivations of employers and the motivations of people, such as those on this side of the chamber, who stand up for the arguments of employers. I have to be honest: I have heard members opposite say that employers seem to favour the introduction of paid maternity leave and that in some way it should be funded by them. I have not experienced a groundswell of feedback to that effect. I move around a lot in employer circles and the community—as many senators in this place do—but I have not sensed that groundswell within employer ranks, mainly for the reasons which I have just stated. So I cannot understand why that argument is put forward.
Getting back to the first point that I made at the beginning of this contribution, I cannot understand how members opposite could be so mean spirited and suggest that this government has done nothing in relation to helping mothers—or indeed fathers—within the work force. I have listened to the arguments in favour of paid maternity leave, and one argument is that job security would be improved. Speakers opposite do not acknowledge that the Workplace Relations Act provides for one year of job security for permanent employees who decide, through the exercise of free will, to become mothers. There is a statutory guarantee of up to 12 months unpaid maternity leave for employees with more than 12 months standing with their current employer.

When looking at what employers do in terms of ensuring that employees are able to benefit from positive working family policies, it is instructive to look at the survey by the Business Council of Australia that was quoted by Senator Knowles. I believe, after listening to some of the contributions since Senator Knowles made hers, that it is worth reiterating the results of that survey. The survey in 2003 highlighted the fact that tackling issues of work and family requires a whole range of strategies which employers are implementing. Of the companies included in the survey, 93 per cent offered flexible working hours, including flexible start and finish times; 88 per cent offered job sharing; 74 per cent offered paid maternity leave, with an average of 7.8 weeks; 53 per cent offered paid paternity leave, with an average of one week; 88 per cent offered work from home arrangements; 13 per cent offered work based child care; and 69 per cent offered family support groups and services.

I restate those figures to reinforce one fundamental fact—that is, those sensitivities displayed by employers within the workplace are being achieved by Australian workers, particularly working women, as a result of the application of this government’s workplace relations legislation. That is a fact that just cannot be denied. Those particular achievements are occurring under our legislation. We have also heard a bit about fertility rates. People talk about our ageing population and the desirability of looking at ways to encourage an increase in the fertility rate. Some people say that paid maternity leave would somehow lead to an increase in fertility rates.

Senator Stott Despoja—Maybe.

Senator SANTORO—Again, I take the sensitive interjection by Senator Stott Despoja because she is right. In the United States there are no paid maternity leave arrangements, unlike in many countries in Europe where there are paid maternity leave arrangements. Yet in the United States—and we are trying to compare apples with apples here; there may be some socioeconomic differences between the United States and some of the European countries that we were talking about, but in the main I think we are talking about a homogenous type of population within the countries that I am mentioning—the fertility rates are much higher than in those countries that have paid maternity leave. That is anecdotal evidence perhaps, but I think it is fairly persuasive evidence. I simply put that point to people who claim that paid maternity leave is desirable because we want to increase the fertility rate in this country.

The other point that is made by advocates of paid maternity leave is that the government should help women in work by funding mothers in work. I think that is a desirable goal, except that it discriminates against mothers who are not at work when this government does so much to assist mothers who are at work. The point I am trying to make here is that the government I belong to seeks
to assist all mothers, irrespective of their work circumstances.

The other issue that I wish to address has been raised by a couple of speakers in this debate, and that is the claim that Australia’s international obligations are being compromised as a result of this government not encouraging paid maternity leave provisions. As I just tried to explain to the Senate, the making of paid maternity leave arrangements is encouraged at a workplace level by the legislation which governs workplace relations in this country. Senator Stott Despoja, in her submission to the Senate Employment, Workplace Relations and Education Legislation Committee inquiry into the bill, made that point—as did, briefly, Senator Nettle earlier in this debate. Senator Nettle suggested that Australia was failing to fulfil its international obligations to protect women in the workforce who decided to have children. I must admit that I am persuaded by the conclusion of the committee’s majority report, which noted:

... the advice of the Office of the Status of Women, the Department of Employment and Workplace Relations, and the Department of Family and Community Services that ‘Australia has no specific obligation in international law to provide paid maternity leave.’

The report continued:

The committee notes that the ILO conventions which support paid maternity leave were devised and driven by European nations with a long history of the provision of social insurance. These policies have limited application to Australia. The Government agrees with the basic objective of the ILO conventions—to support workers with family responsibilities.

I reiterate that this government is already doing that. It is already supporting workers with family responsibilities in a very substantial way. The committee went on to say:

In achieving this objective, the legislative framework must reflect the continuing and evolving policy which we have seen in the Workplace Relations Act.

That conclusion by the committee underlines the point I have already made. So they are some of the arguments that have been put forward by speakers opposite, and I have sought to address them one by one.

Another point I want to make before my time runs out is that women in work have indeed prospered under the Howard government. In the limited time that I had to get ready for this debate I sought to come up with some figures to illustrate the point that working women are indeed much better off as a result of this government’s policies. For example, more women are in the paid workforce than ever before, and this has occurred during the life of the Howard government. In January 2003 the labour force participation rate of all women 15 years and over was 57.1 per cent, an increase of 3.4 percentage points since March 1996. That, I would respectfully suggest, is a big improvement. Since March 1996 the unemployment rate for women has dropped by 1.7 percentage points to 5.9 per cent in January 2003. If you look at these figures you have to say that women within the workforce are certainly prospering under the policies of the Howard government. I think it shames a debate such as this when members opposite refuse to acknowledge and give credit to a government that has indeed cared a lot about working women and has done everything it can to assist them to balance work and family responsibilities.

I could also talk about this government’s other initiatives to assist working families and working women, such as the family tax benefit, which the government introduced on 1 July 2000. This was a major simplification of family assistance as part of the tax reform package. I know many women and many working families who have reflected very favourably on that government initiative—not to mention the introduction of the parent-
ing payment. I do not want to be repetitive, but clearly the government has introduced many good initiatives for working families.

Debate interrupted.

**DOCUMENTS**

The ACTING DEPUTY PRESIDENT (Senator Ferguson)—Order! It being 6.00 p.m., the Senate will proceed to the consideration of government documents.

**Aboriginal and Torres Strait Islander Commission**

Debate resumed from 4 March, on motion by Senator Crossin:

That the Senate take note of the document.

Senator O’BRIEN (Tasmania) (6:00 p.m.)—In relation to the Aboriginal and Torres Strait Islander Commission annual report for 2003-03 it is interesting to note that we are in an environment where significant change to the Aboriginal and Torres Strait Islander Commission has taken place. I asked questions today of the Minister for Immigration and Multicultural and Indigenous Affairs, Senator Vanstone, about significant legal advice which she is in receipt of which, contrary to what the minister told us in question time today, calls into question an allocation through the budget of over $1 billion. The government’s own advice raised questions about the validity of that appropriation. I also propose to speak on the report of the Aboriginal and Torres Strait Islander Social Justice Commissioner, which is on the Notice Paper to be dealt with later today.

On the question of funding of ATSIC, the Australian Government Solicitor warned Senator Vanstone’s predecessor, Mr Ruddock, that the ATSIC Act may prevent the creation of a prescribed agency to expend ATSIC funds. A prescribed agency is just the creation that was made—ATSIS is a prescribed agency under the regulations. The Australian Government Solicitor said that, if moneys were appropriated to the prescribed agency, a challenge to the creation of that body would put the appropriation at risk. The government, against the advice of their own legal adviser, proceeded to create a prescribed agency to expend ATSIC funds. The minister suggested that, properly advised, they had considered all the risks and were satisfied they could go ahead. Well, they considered them in the context of the advice from the Australian Government Solicitor which I just repeated: a challenge to the creation of that body would put the appropriation itself at risk.

That prescribed agency, Aboriginal and Torres Strait Islander Services, has been appropriated more than $1.1 billion in taxpayers’ funds and that appropriation is, as foretold by the AGS 11 months ago, at risk. Yesterday the ATSIC board determined to resolve the uncertainty surrounding the creation of ATSIS by launching a constitutional challenge. It is doing so on the basis of advice from Mr David Jackson QC. I understand Mr Jackson to be a lawyer of significant standing, one whose advice ought not be dismissed as blithely as Senator Vanstone elected to do in question time today.

I asked Senator Vanstone two questions today. I asked her about the government’s legal standing in relation to ATSIS. She blustered for a bit but refused the opportunity afforded to her to affirm the legal standing of ATSIS. I then asked her a simple question—one I want to repeat in the course of my remarks on the other report—that concerned social justice and Indigenous Australians. I asked:

Can the minister assure the Senate that no direct or indirect punitive action will be taken by the government or its agencies against the ATSIC board, individual commissioners or ATSIS funded organisations for the decisions made at yesterday’s ATSIC board meeting, including the decision to withdraw the delegation of the CEO? Will
she assure the Senate that no direct or indirect inducements will be offered by the government or its agencies to influence actions of ATSIC commissioners in this matter? Minister, if threats of punitive action were made or inducements offered in respect of decisions of a commission established under the laws of this parliament, would they not constitute serious impropriety?

It is a simple question. It is a question to which the Senate, Indigenous Australians and the broader community deserve an answer. Today in the Senate in question time the minister refused to answer. She did so for reasons unknown but, in the absence of a statement to the contrary, the Senate is entitled to draw the conclusion that she did so because she fails to understand that threats and inducements in relation to decisions of the ATSIC board are acts of serious impropriety. At least we are entitled to draw the conclusion that the minister does not consider them so.

We should understand that the board’s processes deserve protection. I will have more to say on this matter later, but for now I say this: attempts to improperly influence the decision making of elected representatives, whether members of this parliament or members of a commission established under its laws, deserve the strongest possible condemnation. A claim of improper dealing in relation to any decision taken by the ATSIC board deserves immediate investigation. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Aboriginal and Torres Strait Islander Social Justice Commissioner

Debate resumed from 10 March, on motion by Senator Greig:

That the Senate take note of the document.

Senator O'BRIEN (Tasmania) (6.06 p.m.)—I rise to take note of the 2003 Social justice report of the Aboriginal and Torres Strait Islander Social Justice Commissioner. This is the fifth and final report of the Social Justice Commissioner and it was tabled in the parliament yesterday without the media attention it deserved. I commend the contributions of Senator Crossin and Senator Greig, who noted the report yesterday afternoon. I am disappointed, but frankly not surprised, that the Minister for Immigration and Multicultural and Indigenous Affairs, Senator Vanstone, failed to acknowledge the commissioner’s damning assessment of the government’s performance in her area of portfolio responsibility.

The Senate does receive many reports. Collectively these reports contain many more words than any individual among us could read, much less absorb, in a lifetime of service in this place. I do, however, commend to the Senate the Social justice report. I particularly commend it to the senators opposite who swallow and regurgitate the claim that the Howard government’s commitment to so-called practical reconciliation is working. It is not. This report of the Social Justice Commissioner exposes the cruel reality behind the government’s false claim.

Among other matters, Dr Jonas finds that many of the claims made by the Howard government about progress in tackling Indigenous disadvantage ‘cannot be verified’, that is, that a succession of claims made by a succession of Howard government ministers about the fruits of this government’s labour in the Indigenous affairs portfolio cannot be relied upon. The commissioner has confirmed clear disparities in opportunity between Indigenous and non-Indigenous people and he has found ‘limited progress in reducing these disparities across many key areas of socioeconomic status’. According to the Social Justice Commissioner, life expectancy for Indigenous females has declined since 1997 to 62.8 years and is lower than the life expectancy for females in India and sub-Saharan Africa. What an indictment!
While life expectancy for Indigenous males has increased slightly to 56.3 years, the rate is lower than life expectancy for males in Burma, Papua New Guinea and Cambodia. The gap between Indigenous life expectancy and non-Indigenous life expectancy has grown for both males and females under the Howard government. So the next time a senator opposite is tempted to embarrass themselves by defending this government’s record in Indigenous affairs, they ought to reflect on these statistics. The Social Justice Commissioner found:

Overall, these statistics across key areas of Indigenous disadvantage for the past five years indicate there is no consistent forward trend in reducing the extent of disadvantage experienced by Indigenous peoples and limited progress in eradicating disparities between Indigenous and non-Indigenous Australians.

The report found:

... a very real prospect of a worsening of the situation of Indigenous people over the next decade.

One thing is for sure: if this government is not defeated at the upcoming election then that prediction will come to pass.

We profess to be one of the more developed nations in the world. That is why the statistics in this report are so damming. That is why I am greatly concerned that we are going down a path of deluding ourselves if we think that so-called practical reconciliation—which is what the government describe their programs as—is achieving anything. This report clearly demonstrates that achievements are not being made and, frankly, it is a matter for which Australia must hang its head. We need to do much better. This matter is serious, and 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:
eration celebrates its 25th anniversary, a quarter of a century as the single national voice of Australian agriculture. The creation of the NFF in July 1979 was the culmination of a very long quest by Australian farmers for unity. In fact, before the NFF was formed, a federal government of the day could choose any one of 26 farmer representative bodies. Tonight I would like to reflect on the 25 years of the NFF, the importance of farmers speaking with one voice at a national level, and the significant achievements that the NFF has made during its life.

Former president Donald McGauchie in his foreword to Tom Connors’s book To Speak with One Voice wrote:

The history of farm organisations is the history of Australia.

I agree. The history of farm organisations is inextricably intertwined with our political, economic and social history. Politically active farm organisations in Australia originated about the time of the great shearsers strikes and the growing militancy of bush unions during the late 1800s. The Pastoralists Federal Council, the first federal farmers organisation, was created in 1890. Farm organisations evolved during the formation of the nation at the time of Federation when centralised wage fixation and the protection of Australian industry behind large tariff barriers defined the national economic environment. Farmer organisations participated in the creation of the Country Party but subsequently moved away from direct affiliation. For most of the 20th century the defining feature for the politically active agricultural communities was sadly not unity but division. Up until the creation of the National Farmers Federation no single unified voice for Australia’s primary industry existed. In fact, the divisions that existed between the ‘farmers’ and the ‘grazers’ extended well back into the 1800s. This divide was very deeply rooted and some may say those tensions still exist to some extent today.

That division was based on social and educational differences and encapsulated quite differing approaches to economic issues such as pricing and protection. Tom Connors notes in his book on the National Farmers Federation that the extent of the divide left many observers of rural Australia in the 1960s and 1970s to conclude that a united voice for agricultural Australia was in fact an impossibility. This inability to speak with one voice was identified from an early stage as a great disadvantage for the farming community, especially in contrast to the well-organised and largely unified trade union movement. In fact, Tom Connors recalls Labor Prime Minister William Morris Hughes in February 1918 telling a group of wheat growers of the need for a unified voice. He said:

I can bring into one room three men who represent all the labour of Australia ... I have preached to labour the necessity for organisation ... and the wheat industry like every other, must save itself by organisation.

How true. But, despite this division, the desire for a unified voice remained, and in 1979 the National Farmers Federation was born. Tonight I would like to pay tribute to the work of those who turned this need for unity into a reality and to some of the significant milestones achieved by its leaders over the last 25 years. During the 1980s and 1990s the National Farmers Federation was a key participant in the national push to deregulate the Australian economy. Successive NFF presidents, such as former defence minister the Hon. Ian McLachlan, were a driving force in the push for economic reform. Connors quotes the Business Review Weekly that wrote in 1984 that Ian McLachlan has ‘lifted the power of the rural lobby ... to a stage where the federation is a powerful intellectual force in the national debate’.
I joined the National Farmers Federation in 1984, three weeks after Ian McLachlan was elected president. I remember the day well, and I am very grateful for the opportunities that working with that very talented team offered me. My personal recollections include the 25 legal actions which were required to break the draconian tally system in the meat industry and to enable workers at the Mudginberri Station meatworks the opportunity to negotiate directly with their employer and not with a union official hundreds of kilometres away in Brisbane. I shall never forget the look on the face of Jack O’Toole from the meatworkers union as he confronted the clear possibility of a final court judgment that broke not only the tally system but the financial base of this very inflexible union itself. It was a milestone indeed for the meat industry and of course for Australia as well.

It was perhaps the Mudginberri meat dispute and the live sheep dispute a year or two earlier that led former President of the ACTU and then Prime Minister Bob Hawke to comment of president Ian McLachlan that he was the toughest man he had ever negotiated with and that farmers were very fortunate to have him negotiate on their behalf. And who in the farming community will ever forget that crisp winter’s day in 1985 when more than 40,000 farming families came to Canberra to protest at the Hawke government’s tax summit where the wheels fell so spectacularly off Paul Keating’s GST tax cart? There is no doubt that the last 25 years have shown just what can be achieved by farmers when they speak with one voice.

One of the most consistent policies advocated by farmers over the years has been that of fairer and freer trade—fairer and freer next week than last week. The formation of the Cairns Group of free trade advocates during my term at the NFF was an important achievement and one which has grown in both stature and membership since 1985. How puzzling, then, that the National Farmers Federation leadership should have expressed disappointment in their first press release when the free trade deal was announced between Australia and the United States. What on earth would the dairy industry, the livestock industry, the horticultural industry, the fishing industry and the wine industry say to such a statement, particularly when a senior National Farmers Federation executive was in the negotiating team? Let’s get it straight: 97 per cent of all manufactured exports will enter America from Australia duty free on day one and 66 per cent of all agricultural products will be at the zero tariff rate from day one—a deal worth billions to our agricultural primary producers and exporters. Disappointment indeed! As a member of the Senate’s committee selected to investigate this historic and great agreement, I am looking forward to discussing the NFF’s claimed disappointment when the federation appears before the committee.

Perhaps one of the great milestones of more recent years, certainly since I have represented South Australia in this place, has been the reform of our waterfront. I would particularly like to recognise the leadership of my old friend Paul Houlihan and the former president Donald McGauchie in leading the evolution, if not the revolution, on our coastline which has given Australia among the most efficient waterfront terminals in the world.

The National Farmers Federation has also been an important nurturing place for both professional and support staff. Two colleagues of mine, the Hon. Ian McLachlan and former senator Winston Crane, served the Australian parliament in distinguished capacities, and a number of administrative staff are now in senior positions in this parliament. The former Federal Director of the Liberal Party and strategist for the victorious
For 25 years the NFF has represented Australia’s farmers at the peak level across Australia, and perhaps it is true and appropriate that they represent a group of individuals who have been fundamental to our history, our culture and our prosperity: Australia’s farming families, who endure the joys and heartbreaks of life on the land for the benefit of all Australians. *(Time expired)*

**Employment: Offshore Outsourcing**

*Senator GREIG (Western Australia)*

(6.22 p.m.)—I rise this evening to speak on an issue which is occurring steadily within the business community around us, yet we here in parliament have been largely silent on it when it is really something we need to talk about—that is, the business practice of offshore outsourcing, which has already whittled down and reshaped American manufacturing and is now spreading to high-tech and service IT jobs. It is spreading to Australia also. Computer programming, back-office functions like billing and claims processing, and customer services like call centres are increasingly being handled by educated English speakers in India, China and the Philippines.

Futurist William Dunk, of Global Province, says that America is not only exporting manufacturing jobs to China but sending knowledge-worker jobs all over the globe. He says that America, complacently, may have thought it was only sending blue-collar work out of the States, but in fact it is outsourcing a huge volume of white-collar work out to the world which, in turn, has retarded the US economic recovery. This year an increasing number of medical jobs in the US are also being sent offshore. For example, the doctor required to analyse an X-ray is cheaper in India than in the US, and he or she is probably trained just as well and may even be from the same training environment. Those same overseas students helping out today’s economy with tuition fees may be helping themselves to the US economy when they return to their own countries. In many instances they have been trained not only in their subject area but also in the language and customs of the country to which they will ultimately contract their services. While there is no evidence that this is yet happening in Australia, what is often true for the US is true for Australia also.

As these first moves are bedded down, entire industries will be shifted offshore. The Australian Computer Society says that the trend towards offshore outsourcing of IT services could cost the country 40,000 computer jobs and billions of dollars in lost economic benefits by the year 2015. Recent press reports show that the number of jobless in the IT industry is 77 per cent higher than the national jobless figure. More than 160 Qantas IT workers are currently considering whether to sign up with IBM rather than face redundancy in another Qantas cost-cutting initiative. This followed media speculation that the jobs were to be contracted to workers in India. The speed at which Australian IT jobs are disappearing will increase as more and more international firms seek to rationalise their investments by moving the individual sectors of their businesses to the most cost-effective locations. In practice, this means India at present. However, India too may soon be threatened by China as a destination for Australian jobs.

The argument in support of outsourcing runs something like this: the availability of low-cost labour in developing countries encourages companies to shift labour-intensive, and therefore expensive, jobs offshore. The money saved can then be diverted into prod-
uct development, thereby keeping the golden goose here, even if the eggs seem to be laid overseas. So the theory goes that the high-end, high-profit jobs stay here and the jobs that nobody wants to do in this country are shifted off to those who have little choice but to do menial tasks. There is some truth in this, up to a point. In reality, the jobs being shifted are no longer just low-level jobs but, rather, much more highly skilled IT jobs—and a surplus of optic fibre cable will ensure that that trend continues.

That said, such a scenario depends on many variables, none more vital than the ratio of savings to investment and a government which strongly supports research and development. Unlike George Moore, co-founder and President of Intel and the originator of the famous Moore’s law, and his company Intel which spends more money on research each year than does the whole of Australia, it would seem that the savings being made by outsourcing from Australia are more likely to be used to prop up share prices, with little thought for the effect it will have on the country or even on the long-term future of the company itself.

Unfortunately for Australia, the opposition appears little better than the current coalition when it comes to limiting outsourcing. Labor policy, for example, as announced at its 2004 national conference, is to hinder Telstra’s efforts to compete, whilst doing nothing to prevent the outsourcing situation worsening in the medium to long term. Sadly, Labor’s policy is a ‘noble Telstra’ policy, not a real solution to a real problem. And the current government’s record on this issue is pitiful. In the field of IT, it has yet to realise that the supply of future well-paid jobs depends on the development of IT. With universities being deprived of funds and priority being given to places for wealthier overseas students, our best and brightest young students simply cannot compete successfully for university places against full fee paying international students.

Labor’s approach has been the populist cry to ban outsourcing. Labor knows that it cannot and that, even if it could, it really would not work. The answer is not an easy cut and paste job. It requires thought and it requires the intelligent direction of resources. This support will need to be in the form of government investment in education, training and resources, and in private sector research. This could take the form of tax incentives for investment in research and development. The government could also provide assistance through its own research arms, such as the CSIRO. We Democrats believe that the longer we take to act, the harder it will be. We believe Australians are mature enough to make the hard decisions if given the chance, and we call on both major parties to join with us in making those decisions.

When Gregory Mankiw, Chairman of the White House Council of Economic Advisors, praised outsourcing as a new way to do international trade, the Speaker of the House, J. Dennis Hastert, issued a statement disagreeing with him. Hastert said that he ‘understood that Mr. Mankiw was a brilliant economic theorist, but his theory failed a basic test of real economics’. According to Hastert, an economy suffers when jobs disappear, and outsourcing can be a problem for American workers and for the American economy. He believed it impossible to have a healthy economy unless there were more jobs in America. I conclude by saying again that what is so often true for the US will prove to be the case here in Australia also.

Queensland: Hervey Bay
Queensland: Beattie Government

Senator SANTORO (Queensland) (6.29 p.m.)—Last month it was my pleasure, indeed my privilege, to visit the go-ahead City of Hervey Bay in regional Queensland.
While there, I had the opportunity to meet many people who have made Hervey Bay their home or who have lived in the city and in the region all their lives. As someone who travels widely on parliamentary business, I found it inspiring to be in a community that is so clearly focused on the benefits the future can bring not just for Hervey Bay and its rich hinterland but for all of Queensland. That is not to say that Hervey Bay does not have challenges to face. It has its share; perhaps it has a few more than some other places that are better served in terms of infrastructure and support services. Certainly the people whom I met with, including its civic and business leaders, believe this to be so. But one gets the sense in Hervey Bay, and especially when one meets local leaders and the business community, that while they know they face a challenge they also know they can meet that challenge. That is what is so wonderful about regional Australia: life is more of a challenge when the sort of access to services that metropolitan people take for granted is simply not available.

Hervey Bay’s particular problems stem from two factors. These are factors that are common to many communities around Australia but, I think, are apt to be more marked in regional Queensland than elsewhere because of the unique elements that combine into the local living environment. Hervey Bay is a very fast growing city. It is a city in tune with the imperatives of the 21st century: a retirement city, a dormitory city, a tourist centre, a service centre for its hinterland, and increasingly a centre for business and education. It is a city that is home to an increasing number of families with young children.

There is an energetic city council in Hervey Bay, led by Mayor Ted Sorensen. I met with Mayor Sorensen, Deputy Mayor Belinda McNeven and several other councillors, including Jenny Clark. These elected representatives are great examples of the sense of service with which the overwhelming majority of people in the local office approach their jobs. I also met the Hervey Bay City Council Chief Executive Officer, Leigh Bennett, and other senior staff. I should mention that, on my two-day visit to Hervey Bay, I was most ably assisted by the very energetic Hervey Bay Chamber of Commerce and its president, Stephen Dixon. Mr Dixon is one of the senior legal practitioners of Hervey Bay and its environs.

Hervey Bay is a city that has experienced tremendous growth over recent years. The estimated resident population of the Hervey Bay city as at 30 June 2002—the latest figures available—was 44,402, an increase of 2.5 per cent over the year. This increase of 1,104 people comprised a natural increase of 40—that is, births minus deaths—and an assumed net migration of 1,064 people. That is nearly 89 new residents a month or around 22 a week. It is fair to say that this expansion, which has been occurring at high rates for at least the last decade, has left some of the public infrastructure hard pressed to cope.

That was an important focus of my visit, and it was certainly something that the locals did their level best to impress on me—and can I tell them that it worked. It is quite apparent that more needs to be done to assist the City of Hervey Bay to meet the demands placed on it by growth. Projections by the Queensland Department of Local Government and Planning indicate that by 2026, which is only 22 years away, Hervey Bay could be home to as many as 92,000 people. For a community that numbered 27,700 in 1991, only 13 years ago, that is astounding. It is an imperative with which the local government, the state government and the federal government are going to have to get to grips. One other statistic gives a good picture of this imperative in terms of what it means for local infrastructure: residential
building approvals rose by 27 per cent in the year ended June 2003, a total of 996 approvals, with more than 90 per cent of them for separate houses.

Like everywhere, Hervey Bay has a population that is ageing. By 2026, the median age is forecast to be 51 years. In 2001, it was 43 years. What is more, by 2026, fully 56 per cent of the city’s population is expected to be in the 45 to 64 and the 65-plus age groups. This is the generational challenge that we hear so much about at the academic level expressed in practical local community terms. It is a challenge, incidentally, that is well documented in Treasurer Costello’s Intergenerational Report.

I repeatedly suggested during my visit that Hervey Bay needs to become more proactive in representing itself and its identified needs to government at the federal level and, indeed, at every level. The city council, the chamber of commerce and the local university—the Hervey Bay campus of the University of Southern Queensland, Wide Bay, whose academic head is Professor Susan Bambrick—all understand this.

It will be my privilege to do whatever I can as a senator for Queensland to assist the Hervey Bay community in making effective representations in Canberra. In 2002, when I was newly in the Senate, I played a modest role in ensuring that the voices of the Gold Coast and the Sunshine Coast—also places where the infrastructure, particularly road infrastructure, needs really urgent attention and upgrading—got a good hearing in the national capital. Hervey Bay is a community in a similar situation and its voice must also be heard loudly. I look forward to the day that I can welcome a strong representative delegation from Hervey Bay to Parliament House and offer to the city’s civic and business leaders whatever assistance I can.

Aside from road and other transport infrastructure, there are other matters that require attention. I visited the Condy Park Kindergarten, where I met the operator, Sue Michels, who told me of her concern that the growth of Hervey Bay is not being matched by the growth in preschool places and that there is in fact a waiting list for places. It is in detail such as this that service delivery, as in services to taxpayers, stands or falls. Our job as legislators is to make sure that it stands. Sue Michels told me that her experience is that many women in the community would prefer to work in paid employment but cannot because they are not able to find day care or child-minding places for their children.

Education at the other end of the spectrum is also a victim of its own success and of the population boom with which the level and rate of provision of new infrastructure is simply not coping. When the Hervey Bay campus of the University of Southern Queensland, Wide Bay, opened in 1997, there were 50 students. Today there are 600 full-time students and a further 1,100 who are registered university library users. The existing buildings were designed to cater to 860 full-time students and staff, and there are fears that by 2007, only three years away, USQ at Wide Bay will not be able to accommodate its staff and students. On current trends, there will be 2,000 students on campus within five years. It is worth placing on the record that USQ at Wide Bay has taken on a truly local flavour by providing courses that support marine science and tourism. It is also becoming a major employer in the area, and its graduates in increasing numbers are opting to stay in the region to work and raise their families. Given the great need for Wide Bay to retain its young people, this is a wonderfully positive development. It is a development that is worth supporting through the provision of infrastructure to meet expanding
needs. I look forward to making representa-
tions to that effect.

I also met and had useful discussions with
Sharlene Smith, who is the coordinator of
SITE, the Student Industry Training Experi-
ence. The Hervey Bay Chamber of Com-
merce has recently begun a new project with
SITE called Education Hervey Bay, which
has representatives from all educational insti-
tutions in the city, from the city council and
chamber of commerce and from USQ to
bring together work entry students and local
businesses at the end of the year.

Finally, at a breakfast organised by the
chamber of commerce, I had the opportunity
to speak to local businesspeople and others
on various matters of mutual interest and
local importance. I congratulate the chamber
of commerce and in particular Stephen
Dixon and the chamber’s executive for the
effective leadership they provide to the local
community. Functions of this sort are tre-
mendously valuable to parliamentarians—I
am sure all of us in this place know that to be
a fundamental truth—because they are
events at which you glean the unalloyed truth
about local issues; that you do so in conviv-
ial surroundings is a bonus. Hervey Bay oc-
cupies a proud place in today’s Queensland.
It has a strong voice that demands to be
heard. I hope that tonight I have assisted in
getting that voice heard in one of the highest
councils of the nation.

In concluding my remarks, I want to men-
tion something that has recently happened in
Queensland. I hope that Queensland really
wakes up sooner rather than later to the now
blindingly obvious fact that the Premier is a
con. How can he go to any public function
and be taken seriously? How can anyone
have confidence in his office after the shemozzle
that has produced the ‘winegate’
affair? The Premier says his government is
‘honest and accountable’. How can anyone
believe that after what we have witnessed
over the past few days? Now he claims he
was unaware of a culture in which advisers
lied to protect ministers. He said this, re-
ported in this morning’s Australian newspa-
per:
I didn’t know it existed, and maybe that’s a bit of
a learning curve for me ... I expect everyone in
government to be honest and to not cover up or
tell lies.

When is the Premier of Queensland going to
get real? The people expect him to be honest
and to not cover up or give voice to termino-
logical inexactitudes himself. They expect
him to insist that everyone in government is
honest, that no-one covers up and that no-
one lies before the fact, not afterwards.

Mr Beattie apparently plainly believes he
is his own best adviser. He is spectacularly
wrong. When some botch-up or worse is no
longer capable of being hidden from the pub-
lic gaze, his reaction is to overreact. He hides
the truth with another one of his tiresome
one-man sound and light shows. Then he
performs his ritual mea culpa with a lot of
mea and very little culpa. Finally, he adopts
an injured air if everyone fails to believe that
he is a great guy for coming clean. He now
admits he overreacted. Everyone else knew
from day one that the only crisis was the one
that he had created. On 4 March, Mr Beattie
said:
I cannot express just how angry I am about this—
frustrated and absolutely embarrassed.
Yesterday he said:
Perhaps I should have known better. I acted on
what I knew to be the facts at the time.

Two days ago, asked if he regretted sacking
ministerial adviser Teresa Mullan for taking
wine aboard the government jet to Lockhart
River, where the Aboriginal community had
banned alcohol, he said:
We would have had a riot on the cape, and the
laws would have collapsed.
Yesterday, when he appointed Ms Mullan to a position in his own office, he did not mention riots or anarchy. Nor did he mention that he has become the laughing-stock of Queensland.

**Senate adjourned at 6.39 p.m.**

**DOCUMENTS**

**Tabling**

The following documents were tabled by the Clerk:

Parliamentary Entitlements Act—
Parliamentary Entitlements Regulations—
Advice under paragraph 18(a), dated 8 March 2004.

Payment Systems and Netting Act—
Approval under section 9—Approval No. 1 of 2004.

**Indexed Lists of Files**

The following documents were tabled pursuant to the order of the Senate of 30 May 1996, as amended:

Indexed lists of departmental and agency files for the period 1 July to 31 December 2003—Statements of compliance—
Department of Health and Ageing.
Office of the Official Secretary to the Governor-General.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Not-for-Profit Council
(Question No. 2211)

Senator Cherry asked the Minister for Family and Community Services, upon notice, on 10 October 2003:

(1) (a) Who proposed the Not-for-Profit Council; and (b) what connections do they have to the Community Business Partnerships (CBP).

(2) Did the Government seek the proposal from the proponents of the Council.

(3) What are the aims of the council.

(4) What is the status of the application for funding for the proposed council.

(5) (a) How much funding have the council’s proponents sought from the CBP; and (b) how much have they previously received.

(6) Has the Government independently consulted with existing not-for-profit sector peak bodies to gauge the viability of the council proposal.

(7) Is the Government aware of the national roundtable of non-profit organisations, which has been voluntarily created and led by not-for-profit peak bodies across the sector.

(8) Will the Government support the establishment of the Not-for-Profit Council when there is already a national roundtable of non-profit organisations.

Senator Patterson—The answer to the honourable senator’s question is as follows:

(1) (a) A proposal to explore the feasibility of a Not-for-Profit Council was put to the Prime Minister’s Community Business Partnership by Mr John Dahlsen in 2001. (b) Mr Dahlsen has no formal relationship with the Partnership.

(2) No.

(3) The aim of the proposed Council is to enhance capacity building in the not-for-profit sector and facilitate access to capacity building support for the sector.

(4) There is no application to fund the Council. A contract is being negotiated to provide funding for developmental work on a constitution and membership structure.

(5) (a) $50 000. (b) $0. However $90 000 was provided to The Allen Consulting Group to prepare a discussion paper on the feasibility of a Not for Profit Council.

(6) Yes.

(7) Yes.

(8) The Government will carefully consider any future request for support.

Environment and Heritage: Air Transport System
(Question No. 2437)

Senator Brown asked the Minister representing the Minister for the Environment and Heritage, upon notice, on 2 December 2003:

With reference to the answer to question on notice no. 2198 (Senate Hansard, 24 November 2003, p. 17686: Can details be provided of all proposals for runways in Antarctica with which the Government may be or is involved including: (a) the nature of the proposal, including site, capabilities, dimensions,
and construction details; (b) the scheduling and/or outcome of any study required or conducted; (c) the estimated or confirmed expenditure to date; and (d) the proponent.

**Senator Ian Macdonald**—The Minister for the Environment and Heritage has provided the following answer to the honourable senator’s question:

(a) to (d) The Australian Government, through the Australian Antarctic Division, is working on one runway proposal in Antarctica. The proposal is for a snow-capped ice runway located on the Antarctic plateau near Casey station. The runway would be capable of supporting wheeled and ski equipped aircraft. The runway area would be approximately four kilometres long and 100 metres wide. Construction of the runway is limited to a rolled snow cap on top of existing glacial ice smoothed by minor surface grading. The estimated direct expenditure to date is $1.8m.

A referral was made under the Environment Protection and Biodiversity Conservation Act for the overall Antarctic air transport system including runway construction, and in accordance with that Act the Minister for the Environment and Heritage determined that it did not constitute a controlled action.

**Defence: Wanneroo Firing Range**

(Question No. 2534)

**Senator Greig** asked the Minister for Defence, upon notice, on 6 February 2004:

(1) Is the Minister aware of concerns expressed by City of Wanneroo residents about the disused Defence firing range, particularly as to the safety of the area bounded by the coast at Two Rocks, south for 2kms, east for 9kms, and north for 4kms.

(2) Can the Minister confirm that: (a) between August 1984 and August 1989, 17 pieces of ordnance were found in this area and, of those, ten could have been dangerous; (b) before this time, some 16 pieces of ordnance were found, of which 11 could have been dangerous.

(3) Can the Minister advise why the Federal Government provided financial and other support to the State Emergency Service to assist it to clean up a similar area of unexploded ordnance (UXO) in Warnbro, south of Perth, but not at this location.

(4) Will the Minister provide details of any inspection or clean up that occurred in this area subsequent to 1989, or instances of further discovery of UXO.

(5) Given the considerable urban development in the Yanchep area since 1989, if no such inspection or clean up has occurred, will the Minister now ensure that a full safety and security review of this region is undertaken.

(6) Is the Minister satisfied that the safety of new and incoming residents in the region, especially in the proposed and extensive housing development atop the old firing range, can be guaranteed.

**Senator Hill**—The answer to the honourable senator’s question is as follows:

(1) Yes. The concerns of local residents have been brought to my notice and that of my predecessors on a number of occasions. On 15 May 2001, the then-Parliamentary Secretary, the Hon Brendan Nelson MP, met with members of the Yanchep/Two Rocks Progress and Ratepayers Association and similar concerns expressed by residents were addressed at that time.

(2) I cannot confirm that the items of unexploded and malfunctioned explosive ordnance and explosive ordnance wastes were recovered specifically from the area described in question (1). However, I am aware that Defence technical personnel occasionally attend the former Yanchep/Two Rocks range area at the request of the Western Australian Police and either render safe or remove ordnance items.

(3) While decisions to provide Commonwealth funding and personnel support to such operations as that at Warnbro is taken on the merits of each individual case, the Warnbro operation commenced prior to 1989. In that year, the then Prime Minister, the Hon Bob Hawke MP, promulgated the
Commonwealth Policy on the Management of Land Affected by Unexploded Ordnance to State Premiers and Territory Chief Ministers. The Policy required the Commonwealth to undertake assessment of land known or suspected to be unexploded ordnance-affected and to provide the resulting information to the appropriate State or Territory Government. The assessment of the Yanchep/Two Rocks area identified the likely boundaries of the affected land and also those that were potentially significantly contaminated.

(4) A number of UXO assessment surveys have occurred within the former range area. In 1993-1994, Commonwealth-funded assessment searches were conducted by the Western Australia Fire and Emergency Services Unexploded Ordnance Service (FESA UXO Service) over a proposed development area of between 30-40 hectares to the South of Yanchep township. While no hazardous items were recovered, evidence of ordnance impact was detected. In mid-2000, Western Power Corporation engaged a commercial unexploded ordnance contractor to conduct an assessment of a proposed transmission line from Pinjar Power Station in the southeast to the northern boundary of the former range. The assessment of the 60 metre-wide corridor identified evidence of 25-pounder high explosive ordnance impact on the Eastern slopes of Wabling Hill. A subsequent remediation operation, contracted by Western Power to the FESA UXO Service confirmed the assessment findings, but no items of unexploded ordnance were recovered.

(5) The Commonwealth, in conjunction with the State Government, has taken and will continue to take reasonable measures to ensure the safety of the residents and occupants of land in the Yanchep and other similarly affected districts. In accordance with the terms of the Commonwealth Unexploded Ordnance Policy, the Commonwealth is not considered to be responsible for the ongoing effects of unexploded ordnance on land in which it has never had or has disposed of a legal interest. Consequently, the day-to-day management of unexploded ordnance contamination is a matter for State and local authorities. Nevertheless, the Commonwealth will provide ongoing assistance where appropriate. At Yanchep, such assistance includes the provision of advice to the State on likely areas, natures and types of contamination and in the provision of public advice and education initiatives on the hazards posed by unexploded ordnance. It also includes the appropriate action to be taken in the event that an item suspected of being hazardous is found. The Commonwealth, through the Department of Defence, will also remove or render safe such items on discovery. There is no charge for any of these services.

(6) Experts in the field of unexploded ordnance remediation, including the Department of Defence, acknowledge that, regardless of the application of world’s best practice, no guarantee can be given that 100% of hazardous items will be detected. Given the measures in place at Yanchep and in other similarly affected areas, I am satisfied that all reasonable measures have been and will continue to be taken to ensure the safety of residents and occupiers of land in such areas.

**Transport: Specialist and Enthusiast Vehicle Scheme**

(Question No. 2541)

*Senator Harris* asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 12 February 2004:

For each month in 2003: (a) how many vehicles were issued with compliance plates under the Specialist and Enthusiast Vehicle Scheme (SEVS); (b) what vehicle models were issued with these plates and how many were issued in respect of each model; (c) how old were the vehicles when imported, as stated on their import approvals, and was the age of these vehicles verified; and (d) how many vehicles, not under SEVS and over 15 years old, were issued with import approvals.

*Senator Ian Campbell*—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:
For each month in 2003 the number of used import plates issued under the Registered Automotive Workshop (RAW) Scheme was:

(a)

<table>
<thead>
<tr>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>6</td>
<td>9</td>
<td>7</td>
<td>82</td>
<td>91</td>
<td>97</td>
<td>133</td>
<td>183</td>
<td>250</td>
<td>274</td>
</tr>
</tbody>
</table>

(b) and (c) Provided at Attachment A which is available from the Senate Table Office. When an application is made to import a vehicle under RAWS the Vehicle Identification Number (VIN) is decoded to check the year of manufacture is correct on each application.

(d)

<table>
<thead>
<tr>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>436</td>
<td>809</td>
<td>946</td>
<td>1093</td>
<td>995</td>
<td>843</td>
<td>952</td>
<td>1077</td>
<td>1036</td>
<td>1323</td>
<td>1301</td>
<td>1327</td>
</tr>
</tbody>
</table>