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- **Perth**: 585 AM
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FORTY-FIRST PARLIAMENT
FIRST SESSION—FIRST PERIOD

Governor-General

His Excellency Major-General Michael Jeffery, Companion in the Order of Australia, Commander of the Royal Victorian Order, Military Cross

Senate Officeholders

President—Senator the Hon. Paul Henry Calvert
Deputy President and Chairman of Committees—Senator John Joseph Hogg
Temporary Chairmen of Committees—Senators the Hon. Nick Bolkus, George Henry Brandis, Hedley Grant Pearson Chapman, John Clifford Cherry, Patricia Margaret Crossin, Alan Baird Ferguson, Stephen Patrick Hutchins, Linda Jean Kirk, Susan Christine Knowles, Philip Ross Lightfoot, John Alexander Lindsay (Sandy) Macdonald, Gavin Mark Marshall, Claire Mary Moore and John Odin Wentworth Watson
Leader of the Government in the Senate—Senator the Hon. Robert Murray Hill
Deputy Leader of the Government in the Senate—Senator the Hon. Nicholas Hugh Minchin
Leader of the Opposition in the Senate—Senator Christopher Vaughan Evans
Deputy Leader of the Opposition in the Senate—Senator Stephen Michael Conroy
Manager of Government Business in the Senate—Senator the Hon. Christopher Martin Ellison
Manager of Opposition Business in the Senate—Senator Joseph William Ludwig

Senate Party Leaders

Leader of the Liberal Party of Australia—Senator the Hon. Robert Murray Hill
Deputy Leader of the Liberal Party of Australia—Senator the Hon. Nicholas Hugh Minchin
Leader of the National Party of Australia—Senator the Hon. Ronald Leslie Doyle Boswell
Deputy Leader of the National Party of Australia—Senator John Alexander Lindsay (Sandy) Macdonald
Leader of the Australian Labor Party—Senator Christopher Vaughan Evans
Deputy Leader of the Australian Labor Party—Senator Stephen Michael Conroy
Leader of the Australian Democrats—Senator Andrew John Julian Bartlett

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(1) Term expires at close of day next preceding the polling day for the general election of members of the House of Representatives.
(2) Chosen by the Parliament of Queensland to fill a casual vacancy vice Hon. Warwick Raymond Parer, resigned.
(3) Chosen by the Parliament of Queensland to fill a casual vacancy vice John Woodley, resigned.
(4) Chosen by the Parliament of South Australia to fill a casual vacancy vice John Andrew Quirke, resigned.
(5) Appointed by the Governor of Tasmania to fill a casual vacancy vice Hon. Brian Francis Gibson AM, resigned.
(6) Chosen by the Parliament of Queensland to fill a casual vacancy vice Hon. John Joseph Herron, resigned.
(7) Chosen by the Parliament of Victoria to fill a casual vacancy vice Hon. Richard Kenneth Robert Alston, resigned.

**PARTY ABBREVIATIONS**

AD—Australian Democrats; AG—Australian Greens; ALP—Australian Labor Party; APA—Australian Progressive Alliance; CLP—Country Labor Party; Ind—Independent; LP—Liberal Party of Australia; NATS—The Nationals; PHON—Pauline Hanson’s One Nation

**Heads of Parliamentary Departments**

- Clerk of the Senate—H. Evans
- Clerk of the House of Representatives—I.C. Harris
- Secretary, Department of Parliamentary Services—H.R. Penfold QC
HOWARD MINISTRY

Prime Minister
The Hon. John Winston Howard MP

Minister for Transport and Regional Services and Deputy Prime Minister
The Hon. John Duncan Anderson MP

Treasurer
The Hon. Peter Howard Costello MP

Minister for Trade
The Hon. Mark Anthony James Vaile MP

Minister for Defence and Leader of the Government in the Senate
Senator the Hon. Robert Murray Hill

Minister for Foreign Affairs
The Hon. Alexander John Gosse Downer MP

Minister for Health and Ageing and Leader of the House
The Hon. Anthony John Abbott MP

Attorney-General
The Hon. Philip Maxwell Ruddock MP

Minister for Finance and Administration, Deputy Leader of the Government in the Senate and Vice-President of the Executive Council
Senator the Hon. Nicholas Hugh Minchin

Minister for Agriculture, Fisheries and Forestry
The Hon. Warren Errol Truss MP

Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs
Senator the Hon. Amanda Eloise Vanstone

Minister for Education, Science and Training
The Hon. Dr Brendan John Nelson MP

Minister for Family and Community Services and Minister Assisting the Prime Minister for Women’s Issues
Senator the Hon. Kay Christine Lesley Patterson

Minister for Industry, Tourism and Resources
The Hon. Ian Elgin Macfarlane MP

Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service
The Hon. Kevin James Andrews MP

Minister for Communications, Information Technology and the Arts
Senator the Hon. Helen Lloyd Coonan

Minister for the Environment and Heritage
Senator the Hon. Ian Gordon Campbell

(The above ministers constitute the cabinet)
HOWARD MINISTRY—continued

Minister for Justice and Customs and Manager of Government Business in the Senate
Senator the Hon. Christopher Martin Ellison

Minister for Fisheries, Forestry and Conservation
Senator the Hon. Ian Douglas Macdonald

Minister for the Arts and Sport
Senator the Hon. Charles Roderick Kemp

Minister for Human Services
The Hon. Joseph Benedict Hockey MP

Minister for Citizenship and Multicultural Affairs and Deputy Leader of the House
The Hon. Peter John McGauran MP

Minister for Revenue and Assistant Treasurer
The Hon. Malcolm Thomas Brough MP

Special Minister of State
Senator the Hon. Eric Abetz

Minister for Vocational and Technical Education and Minister Assisting the Prime Minister
The Hon. Gary Douglas Hardgrave MP

Minister for Ageing
The Hon. Julie Isabel Bishop MP

Minister for Small Business and Tourism
The Hon. Frances Esther Bailey MP

Minister for Local Government, Territories and Roads
The Hon. James Eric Lloyd MP

Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence
The Hon. De-Anne Margaret Kelly MP

Minister for Workforce Participation
The Hon. Peter Craig Dutton MP

Parliamentary Secretary to the Minister for Finance and Administration
The Hon. Dr Sharman Nancy Stone MP

Parliamentary Secretary to the Minister for Industry, Tourism and Resources
The Hon. Warren George Entsch MP

Parliamentary Secretary to the Minister for Health and Ageing
The Hon. Christopher Maurice Pyne MP

Parliamentary Secretary to the Minister for Defence
The Hon. Teresa Gambaro MP

Parliamentary Secretary (Foreign Affairs and Trade)
The Hon. Bruce Fredrick Billson MP

Parliamentary Secretary to the Prime Minister
The Hon. Gary Roy Nairn MP

Parliamentary Secretary to the Treasurer
The Hon. Christopher John Pearce MP

Parliamentary Secretary to the Minister for Transport and Regional Services
The Hon. John Kenneth Cobb MP

Parliamentary Secretary to the Minister for the Environment and Heritage
The Hon. Gregory Andrew Hunt MP

Parliamentary Secretary (Children and Youth Affairs)
The Hon. Sussan Penelope Ley MP

Parliamentary Secretary to the Minister for Education, Science and Training
The Hon. Patrick Francis Farmer MP

Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry
Senator the Hon. Richard Mansell Colbeck
SHADOW MINISTRY

Leader of the Opposition
Deputy Leader of the Opposition and Shadow Minister for Education, Training, Science and Research
Leader of the Opposition in the Senate and Shadow Minister for Social Security
Deputy Leader of the Opposition in the Senate and Shadow Minister for Communications and Information Technology
Shadow Minister for Health and Manager of Opposition Business in the House
Shadow Treasurer
Shadow Minister for Industry, Infrastructure and Industrial Relations
Shadow Minister for Foreign Affairs and International Security
Shadow Minister for Defence and Homeland Security
Shadow Minister for Trade
Shadow Minister for Primary Industries, Resources and Tourism
Shadow Minister for Environment and Heritage and Deputy Manager of Opposition Business in the House
Shadow Minister for Public Administration and Open Government, Shadow Minister for Indigenous Affairs and Reconciliation and Shadow Minister for the Arts
Shadow Minister for Regional Development and Roads and Shadow Minister for Housing and Urban Development
Shadow Minister for Finance and Superannuation
Shadow Minister for Work, Family and Community, Shadow Minister for Youth and Early Childhood Education and Shadow Minister Assisting the Leader on the Status of Women
Shadow Minister for Employment and Workplace Participation and Shadow Minister for Corporate Governance and Responsibility

Mark William Latham MP
Jennifer Louise Macklin MP
Senator Christopher Vaughan Evans
Senator Stephen Michael Conroy
Julia Eileen Gillard MP
Wayne Maxwell Swan MP
Stephen Francis Smith MP
Kevin Michael Rudd MP
Robert Bruce McClelland MP
The Hon. Simon Findlay Crean MP
Martin John Ferguson MP
Anthony Norman Albanese MP
Senator Kim John Carr
Kelvin John Thomson MP
Senator the Hon. Nicholas John Sherry
Tanya Joan Plibersek MP
Senator Penelope Ying Yen Wong

(The above are shadow cabinet ministers)
SHADOW MINISTRY—continued

Shadow Minister for Immigration: Laurence Donald Thomas Ferguson MP
Shadow Minister for Agriculture and Fisheries: Gavan Michael O’Connor MP
Shadow Assistant Treasurer, Shadow Minister for Revenue and Shadow Minister for Banking and Financial Services: Joel Andrew Fitzgibbon MP
Shadow Attorney-General: Nicola Louise Roxon MP
Shadow Minister for Regional Services, Local Government and Territories: Senator Kerry Williams Kelso O’Brien
Shadow Minister for Manufacturing and Shadow Minister for Consumer Affairs: Senator Kate Alexandra Lundy
Shadow Minister for Defence Planning and Personnel and Shadow Minister Assisting the Shadow Minister for Industrial Relations: The Hon. Archibald Ronald Bevis MP
Shadow Minister for Sport and Recreation: Alan Peter Griffin MP
Shadow Minister for Veterans’ Affairs: Senator Thomas Mark Bishop
Shadow Minister for Small Business: Tony Burke MP
Shadow Minister for Ageing and Disabilities: Senator Jan Elizabeth McLucas
Shadow Minister for Justice and Customs, Shadow Minister for Citizenship and Multicultural Affairs and Manager of Opposition Business in the Senate: Senator Joseph William Ludwig
Shadow Minister for Pacific Islands: Robert Charles Grant Sercombe MP
Shadow Parliamentary Secretary to the Leader of the Opposition: John Paul Murphy MP
Shadow Parliamentary Secretary for Defence: The Hon. Graham John Edwards MP
Shadow Parliamentary Secretary for Education: Kirsten Fiona Livermore MP
Shadow Parliamentary Secretary for Environment and Heritage: Jennie George MP
Shadow Parliamentary Secretary for Infrastructure: Bernard Fernando Ripoll MP
Shadow Parliamentary Secretary for Health: Ann Kathleen Corcoran MP
Shadow Parliamentary Secretary for Regional Development (House): Catherine Fiona King MP
Shadow Parliamentary Secretary for Regional Development (Senate): Senator Ursula Mary Stephens
Shadow Parliamentary Secretary for Northern Australia and Indigenous Affairs: The Hon. Warren Edward Snowdon MP
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The PRESIDENT (Senator the Hon. Paul Calvert) took the chair at 12.30 p.m. and read prayers.

BUSINESS

Rearrangement

Senator ELLISON (Western Australia—Manager of Government Business in the Senate) (12.31 p.m.)—by leave—I move:

That–

(1) On Monday, 6 December 2004:
   (a) the hours of meeting shall be 12.30 pm to 6.30 pm and 7.30 pm to 11.10 pm; and
   (b) the question for the adjournment of the Senate shall be proposed at 10.30 pm.

(2) On Tuesday, 7 December 2004:
   (a) the hours of meeting shall be 12.30 pm to 6.30 pm and 7.30 pm to adjournment;
   (b) the routine of business from 7.30 pm shall be government business only; and
   (c) the question for the adjournment of the Senate shall be proposed at 11 pm.

Question agreed to.

PARLIAMENTARY ZONE

Approval of Works

Senator ELLISON (Western Australia—Manager of Government Business in the Senate) (12.31 p.m.)—I move:

That, in accordance with section 5 of the Parliament Act 1974, the Senate approves the proposal by the National Capital Authority for capital works within the Parliamentary Zone, being the replacement and extension of cooling towers at the rear of Old Parliament House.

Question agreed to.

BUSINESS

Consideration of Legislation

Senator ELLISON (Western Australia—Manager of Government Business in the Senate) (12.32 p.m.)—I move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the following bills:

Copyright Legislation Amendment Bill 2004
James Hardie (Investigations and Proceedings) Bill 2004

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (12.32 p.m.)—This motion is to exempt three bills from the cut-off to enable them to be debated before the end of this week. Those bills are the Copyright Legislation Amendment Bill 2004, the James Hardie (Investigations and Proceedings) Bill 2004 and the National Water Commission Bill 2004. I just wish to signal that the Democrats have concerns about the Copyright Legislation Amendment Bill being potentially rushed through by the end of this week. That is obviously what this motion seeks to enable. We do not have a problem with the latter two bills.

Without going into the substance of the copyright bill, it is fairly technical. The government might think that it is minor; the Democrats and I remain to be convinced that it is minor. Its flow-on amendments to do with the copyright components of the US free trade agreement were extremely complex, extremely detailed amendments that were dealt with in the intellectual property area of the Australia-US Free Trade Agreement. In my view, they were not given anywhere near the level of attention they deserved. In the debate around the free trade agreement, there was a lot of focus on the Pharmaceutical Benefits Scheme and one or two other aspects—the Australian content of television and artistic matter in particular—but the broader matters to do with copyright and intellectual property did not get anywhere near the attention they deserved. That bill, of course, has passed but we already have another bill with more ‘minor and tech-
nical’ amendments. The phrase ‘minor and technical’, which the government uses a lot of the time, usually tends to prick up my ears because it often can mean small amendments but with big ramifications.

Without saying that we are categorically opposed to the bill, because we could do that in the debate, our broader concern is simply that this is an important area. It is complex and technical, and to simply rush the bill through by the end of this week—as is enabled by this motion—is not something that we are comfortable with. We do believe it should be properly examined. These sorts of changes, once they are put into the law, are often there for a very long period of time, particularly given that, in this case, they are linked with an agreement with the United States. As the minimum, we should look at the bill in sufficient detail and with sufficient thoroughness with the assistance of people in the community who have expertise in what is a very complex area. The Democrats request that the question be split so that the question on the copyright bill could be put separately. We do not believe it is appropriate to rush it through in the space of a week or two, however minor the government might believe the amendments are.

Senator NETTLE (New South Wales) (12.35 p.m.)—I wish to register that the Australian Greens also have concerns about the Copyright Legislation Amendment Bill 2004. The letters about these amendments were only made available on Friday, and we saw the legislation just last week as well. Our office has been having discussions primarily with the players in the industry but also with community groups that are also looking at these issues. With almost every phone call to alert a different group to this legislation, we are receiving in response a range of different queries and question marks that those industry groups have about the implications of this legislation—issues that we have not been able to get our heads around or understand. Each time a different industry group are contacted, they come back with a whole range of other concerns. I think to propose that this type of legislation be dealt with by the end of the week is to rush through the legislation, and certainly the industry groups that we have been speaking with are only just being made aware of both the legislation itself and the consequences of the legislation.

I understand that there were reports in today’s newspapers that the United States did not feel that this legislation needed to be dealt with by the end of the year. I think that Christmas and the summer break would be a fantastic opportunity for those people in the industry who will be impacted by the legislation to get their heads around it and work with consumer and community groups to put forward their particular concerns about this legislation so that it can be properly debated in the new year.

The PRESIDENT—The question now is that the provisions of paragraphs (5) to (8) of standing order 111 not apply to the James Hardie (Investigations and Proceedings) Bill 2004 and the National Water Commission Bill 2004.

Question agreed to.

The PRESIDENT—The question now is that the provisions of paragraphs (5) to (8) of standing order 111 not apply to the Copyright Legislation Amendment Bill 2004.

Question agreed to.

Senator Bartlett—I ask that the Democrats’ and the Greens’ opposition to that motion be recorded.

AGRICULTURE, FISHERIES AND FORESTRY LEGISLATION AMENDMENT BILL (No. 2) 2004
Second Reading
Debate resumed from 2 December, on motion by Senator Ellison:
That this bill be now read a second time.

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (12.38 p.m.)—On Thursday of last week I was interrupted in speaking to the Agriculture, Fisheries and Forestry Legislation Amendment Bill (No. 2) 2004, which deals with modifying the existing laws to enable money from levies to be directed towards a separate industry body for the promotion and research of aspects to do with the livestock export trade—predominantly the live cattle and sheep trade. I should emphasise that as well as sheep and cattle this trade is now starting to expand into goats and other animals. Opportunities are always being examined by various industries to seek to expand trade in these areas.

Without recapping what I said last week and, indeed, without recapping 20 years of speeches in this place by the Democrats, we have had a longstanding concern about the extreme levels of animal cruelty involved in the livestock export trade. The Senate Select Committee on Animal Welfare—established by Senator Don Chipp back in the mid-eighties because of concern about animal welfare issues in the community, of which this was one of the most significant—detailed some of those problems nearly 20 years ago. There have been many changes made since then, and I am sure the government and the minister would tell us that the changes contained in this bill are in response to concerns in the community about animal welfare aspects of the trade. That is true as far as it goes.

These changes, in part, come out of the Keniry inquiry. This inquiry was established by the government following the MV Cormo Express debacle of over a year ago which involved enormous suffering of tens of thousands of sheep and the premature death of many of them. The MV Cormo Express inci-
entrenches the economic viability of the industry without addressing the core problems of animal suffering and, on top of that, the large degree of job loss that happens in Australia in the meat-processing and animal slaughter industries as a result of the animals being shipped directly offshore.

This bill enables money to be put directly into the live export industry to help with research and development and with promoting the industry. We should not be promoting an industry when we should be looking at replacing the industry. That is the core problem with the government’s approach and, I would suggest, with the opposition’s approach, and this has been continuing over a long period of time. It is an industry that is, in effect, being subsidised by government and by job losses here in Australia. That is not satisfactory. It is also not satisfactory for money to be directed towards the body to help it continue to promote an industry when there is not anywhere near the same level of energy, priority and commitment being put into promoting the alternative.

This is one area where there is, if you like, the benefit of a clear and viable alternative to the live animal export trade. It is not an absolute one-for-one replacement, I acknowledge that, but there is clearly an alternative industry in the export of slaughtered and processed meat that is not being promoted to anywhere near the degree that the live animal export trade continues to be promoted. This is something that baffles me. I do not know why we do not put as much energy into promoting the export opportunities for a value added industry as we do into one which is basically exporting the product—that is, the animal—in its rawest form.

As most senators know, I am a vegetarian and an animal rights activist and as such personally am not keen on expanding the slaughter of animals whether in Australia or in the Middle East. But I separate my personal views from the broader community views and the policy on this—that is, that there are clearly markets for animal products and for meat and meat products. The fact is that those markets can be serviced via slaughtering the animals and processing the products here in Australia, which would enable more of the money and more of the jobs to stay in Australia while at the same time dramatically reduce the suffering of the animals. I have heard over many years the argument, which continues to be put, that if we do not export animals then some other country will and their standards will be worse than ours so the suffering will be greater. That argument is continually put alongside the other argument that they do not have refrigeration in the Middle East so the animals have to be slaughtered there. That is simply a furphy.

The argument that for religious reasons the animals have to be slaughtered there is again a furphy. We have halal accredited slaughtering in Australia. From my discussions with people involved in that industry and in the halal accreditation process, it seems to me that significant improvements could be made. One hurdle to our further exporting halal slaughtered meat from Australia is the lack of faith in the adequacy of our accreditation process. That is something I have heard from meat workers unions as well as from people involved with the accreditation process. That is just another example of the fact that if we were genuinely serious about developing export industries for processed meat we would be ensuring our accreditation process in Australia for halal slaughtering was topnotch and beyond reproach. The information available to me is that it clearly is not. One reason it is not is that the priority continues to be expanding the live animal trade to the exclusion and detriment of other export opportunities.
I would be more accepting of this government’s genuineness and its arguments in this area if there were an equivalent degree of enthusiasm, energy and commitment to expanding, promoting and removing the barriers to alternative trade. I see very little of that. What I see are continual efforts to expand the live animal trade. I recall evidence from a budget estimates committee hearing earlier this year that national and state trade delegations to the Middle East regularly explore opportunities to develop the live animal export trade or deal with the problems that continually arise—and this bill came out of the problems that arise—but that those delegations very rarely seek to develop opportunities for the processed meat trade.

The evidence about the level of cruelty involved in not just the transportation of animals to the ships and the shipping of the animals but the offloading and slaughtering in the various countries in the Middle East is overwhelming. Frankly, it is at the stage where you cannot use the excuse ‘well, if we don’t do it someone else will and they’ll do it even worse’. That excuse is simply not true. Animals over there are treated in the same way whether they are exported from Australia or anywhere else, and we are complicit in the enormous cruelty involved by virtue of continuing to be a part of that trade. I believe that if we as a nation set standards in this area the long-term impact would have far more value than it would if we simply raced to the lowest common denominator, which is basically what we have been doing to date.

The bill in its narrower scope goes some way to implementing the Keniry report recommendations. Inasmuch as that is a step forward, I suppose that should be welcomed, but I have to say that anything that enables further promotion of this trade is still moving in the wrong direction. It is continuing to attempt to entrench a trade that will never be able to overcome the major problem of being seen by a significant proportion of the Australian public as intrinsically cruel and as taking away Australian jobs. The industry has had 20 years to try and overcome that problem. I would suggest that, if anything, the industry is even more on the nose now than it was 20 years ago and that it will continue to be. All of the efforts to address that are simply continuing to deny the undeniable. A real forward-thinking approach would be to accept that and seek to develop a viable alternative that addresses the potential impacts on people who earn a living from this trade. That would be a better approach than the industry continuing to put all of its energies into fighting the sorts of PR battles it is perpetually engaged in.

The Keniry report is notable for the fact that the government did not accept all of its recommendations. So even this inquiry, set up by the government with the government’s terms of reference, did not have all of its recommendations picked up because the government is doing everything it can to keep this trade alive. I do not support this trade; many Australians do not support it. I acknowledge that there are people whose livelihoods depend on this trade, and I am not seeking to ignore them. But I would also say that there are people whose livelihoods have been lost to this trade and who are being ignored and denied by this government. In acknowledging that, the Democrats’ amendment does not seek to amend the core of the legislation but, whilst not opposing the bill, does seek to draw attention to the concerns that I have just raised. The core problem is that it is a trade that is intrinsically cruel and takes Australians’ jobs. Until we attempt to prioritise the development of alternatives to this industry then those problems will continue, the community concerns will continue and I will continue to raise those concerns in the Senate through questions. I move:
At the end of the motion, add “but the Senate, recognising there is a strong and ongoing opposition to continuing the live trade of animals from Australia due to both animal welfare concerns and concerns that domestic jobs are exported along with the animals, urges that priority be given to phasing out the live trade of animals as soon as possible.”

Senator IAN MACDONALD (Queensland—Minister for Fisheries, Forestry and Conservation) (12.52 p.m.)—I thank Senators O’Brien and Bartlett for their contributions to the debate and for their support for the Agriculture, Fisheries and Forestry Legislation Amendment Bill (No. 2) 2004. I acknowledge that the Labor Party has much the same sort of approach as the government to the export of live animals. I accept that the Australian Democrats have a slightly different view but support the bill anyway. After the MV Cormo Express incident the government did respond to the Keniry report with a comprehensive set of measures designed to restore confidence in the live animal export industry. Many of those measures are now in place, including the important changes to the regulatory regime for control of the livestock trade through the Australian Quarantine and Inspection Service.

The amendments in this bill to the Australian Meat and Livestock Industry Act will put in place the industry structures and funding arrangements needed so that the live animal export industry will be responsible for research and development and the management of enhanced quality assurance systems. The bill will put in place a livestock export marketing body and a livestock export research body to receive the funding raised through Customs charges on live animal exports. That body will be LiveCorp. Meat and Livestock Australia Ltd remains the industry research body and the industry marketing body for the whole of the red meat industry. It alone will receive dollar-for-dollar eligible matching government research funding.

LiveCorp will be subject to strict accountability measures and the government has agreed with the recommendations of the Senate Rural and Regional Affairs and Transport Legislation Committee that the body’s annual report, the funding agreement between LiveCorp and the government and the statement of compliance with conditions of the funding agreement will all be tabled in parliament. I thank the Senate committee for its recommendations. LiveCorp will work to ensure its members achieve best practice with animal health and welfare. The bill will allow for consistent funding of LiveCorp—the livestock export industry body and the livestock export marketing body—that will serve the specific needs of the livestock export industry and help address the criticisms that have raised concerns about the proper conduct of the industry.

In relation to Senator Bartlett’s second reading amendment, with respect to Senator Bartlett I acknowledge his concern for animals. It is a concern that I think is shared by most Australians. Senator Bartlett’s second reading amendment is, with respect, well meaning but ill conceived and a fraction simplistic. The live export trade is worth $1 billion annually to Australia and provides some 9,000 jobs, mainly in rural and regional Australia. It is a very important part of the Australian economy and one that is very important to rural and regional Australia.

Senator Bartlett in fact gave all the reasons why we should oppose his amendment but then chose to try and negate those reasons. It is quite obvious that if Australia is not supplying live animals to willing overseas destinations then someone else will fill the gap. Whilst it is an important industry for Australia, we also think that by being in the business we do have an influence and will
have an increasingly greater influence on the export destinations to have in place more humane arrangements for the slaughter of the animals in those overseas areas.

The live export trade also helps us in our general trading arrangements with many of the countries we deal with and it helps build Australia’s trading capacity, and that again means money and jobs for Australia and Australians. Many of the overseas countries to which the live cattle are exported do not have the infrastructure, the freezing facilities or the transport to take frozen red meat. It is simply really a case of live animals or nothing at all.

There have been, as Senator Bartlett rightly acknowledged, considerable improvements to the way animals are treated in the live export trade. This bill is about that. A lot of the initiatives put in place by the government have been particularly useful. Senator Bartlett mentioned that he approved of those. They certainly have made improvements in this area. It is interesting to note that, since these new arrangements have been put in place, cattle mortalities have reduced from 0.34 per cent of stock-shift since 1999 to 0.1 per cent in 2004. Similarly, sheep mortalities have declined from 1.34 per cent in 1999 to 0.79 per cent in 2004. So the industry has certainly lifted its game with a lot of encouragement from the government and, as Senator Bartlett says, it reflects community concern about some of these areas. I think the business now is well controlled and well organised in a way that is not inhumane and that enhances the way the operations occur in the eyes of the Australian public. The government is very keen to see the live trade continue, for the reasons I have mentioned, and this bill will help with that. I support the bill, I thank senators for their support and I urge that the Democrats’ second reading amendment be rejected.

Question negatived.

Senator Bartlett—Can I have the Democrats’ lone voice for the amendment recorded.

Original question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

VOCATIONAL EDUCATION AND TRAINING FUNDING AMENDMENT BILL 2004

Second Reading

Debate resumed from 1 December, on motion by Senator Colbeck:

That this bill be now read a second time.

Senator CARR (Victoria) (1.00 p.m.)—I rise to speak in the second reading debate on the Vocational Education and Training Funding Amendment Bill 2004. For the last few years I have had the dubious pleasure of standing here to speak to similar bills—similar not just in a formal sense but insofar as this bill is part of the annual routine of amendments to VET funding. What is depressingly similar is that every year I have had the dubious pleasure of standing here to speak to similar bills—similar not just in a formal sense but insofar as this bill is part of the annual routine of amendments to VET funding. What is depressingly similar is that every year I have had to address the fact that this government’s policy position on the vocational education system has remained lamentably underdone. The truth of the matter is that in recent years—in fact since Dr Kemp left the job—there has been a stalling of the national vocational education agenda.

We have seen a whole series of crucial measures in the vocational education framework remain in limbo and many problems and issues remain unresolved. Of course, these are matters that I have raised again and again through a number of Senate inquiries, and I once again draw the Senate’s attention to the failure of this government to complete a program of genuine national consistency in
training regimes and qualifications across the country. There remain huge flaws in the administrative arrangements. We simply do not have a system in place where a qualification earned in one state is recognised in every other state. I know the rhetoric says differently but in practice that is not the case.

There is in fact a climate of growing skill shortages whereby the issue of the national recognition of qualifications will become even more acute. It must be fixed. There is no evidence whatsoever in the government’s forward program that it intends to fix this issue. The situation remains where a hairdresser in one state is not recognised in every other state across the country. We have a major problem with nationally consistent quality assurance regimes. The training curriculum, including the review of the training packages, has stalled. The revamp and the review of the ITAB structure is essentially proceeding at a snail’s pace.

When you look at the major elements of the vocational education reform agenda in this country you see there is no serious work being undertaken. On top of that, the Prime Minister has unilaterally announced the destruction of the Australian National Training Authority, even though our vocational education and training system, despite every criticism I might have of it, is regarded internationally as being one of the leading systems in the world. I have always argued that it could be so much better. We have missed so many opportunities. We have failed to undertake our full responsibilities in the Commonwealth’s role in this regard. If it had not been for some difficulties within New South Wales at the time when ANTA was actually established, we may well have had an entirely different system of administration back in the early nineties.

But now the Commonwealth has unilaterally sought to abolish the Australian National Training Authority. ANTA’s national role, which has been crucial to the development of whatever progress has been made, is now to be pushed aside. Just after the federal election an announcement was made by the Commonwealth—an announcement which of course was never mentioned in the election campaign itself. No discussion was possible on this matter during the election campaign. There was no consultation with TAFE providers, with staff or with clients. There was no consultation with the states or territories, which of course were always seen to be partners in the national training agenda. They have been completely ignored. The decision was essentially raised unilaterally by this Prime Minister.

I take it that the Minister for Education, Science and Training was somewhat taken by surprise, because he too was not adequately consulted; he was told. This was a prime ministerial stunt. It was driven by the Prime Minister’s office without the involvement of the Department of Education, Science and Training, let alone the minister for education. We do not have any really clear understanding of what the government intends to do in the period post-ANTA. It makes the approach to AFSIC look like it has been thoroughly thought through. The government is essentially at sixes and sevens. But there was a new regime announced by the government during the election campaign of the establishment of 24 technical colleges—and more about that in a moment. It is, frankly, disingenuous for this government to say that it is concerned about the future of school leavers, concerned about skill shortages and concerned about the imbalance in the arrangements between vocational education and university education. It is completely disingenuous when the government has unilaterally announced the abolition of ANTA.
This takes us back 15 years to a world in which the training system was essentially run like the old Victorian railways. That is where we are going, back to the Victorian railway style of administration where separate state instrumentalities dealing with parochial, inward-looking arrangements will be free to do their own thing, and there will be no nationally consistent set of policy frameworks. Nothing could highlight this administrative incompetence and this political vandalism more than the government’s decision to unilaterally announce that it will establish 24 technical colleges to train what it says are 7,000 students over four years. The 7,000 students over four years are merely a drop in the ocean of what is actually required, and it does not address the fundamental question of skill storages faced by this country. It does not face up to the grave concerns being expressed by both employer and union groups about the failure to deal with the skill shortage question. It does not address the fundamental blockages on productivity that arise as a result of the government’s failure in this area—a failure, I might say, that is pointed out by the Labor Party year upon year—when it moved to its cheap and nasty training scheme away from traditional trades and put in place a series of mickey mouse training programs in the form of this so-called New Apprenticeships scheme.

Essentially, we have a government that seems determined to duplicate bureaucratic structures and the training facilities themselves. Because we do not have any quality assurance regime in place or any understanding of what the government intends to do with regard to the protection of the quality, probity or integrity of the administrative arrangements, we can only presume that the experiences we have seen in the past are likely to be repeated. The Department of Education, Science and Training has an appalling record when it comes to contract management. It has an extraordinarily inept approach to contract management, yet we are told that this new entity will be created with no guidelines and no arrangements put in place to determine what the quality assurance regime will be, and we are supposed to have some confidence in it. I ask the question: what will these new colleges look like? What sort of staff will they employ? Some of the statements I saw during the election campaign implied that they would be non-union, which I would have thought would be a breach of the Industrial Relations Act as it is currently proposed. There is no suggestion about the quality of the qualifications of staff to be employed or the need to ensure the curriculum meets modern training needs.

We have nothing more than a rather crude attempt to give private vocational education and training arrangements a leg up through the use of public subsidies, yet again, where the government seeks to use public moneys to bolster a privatised system. We are entitled to ask: what sorts of fees are likely to be charged, and how will students be able to afford them, what areas of skill shortages will be addressed and what areas of the current unmet demand will be addressed by these new programs? I think there is a real danger that these so-called technical colleges are about dumbing down training in this country and that institutions can be set up as cheap as chips, quick as you can with pared back training to working-class students who are pumped through from year 12. There is a real danger that they will not meet the needs of a modern economy; they will meet the political needs of a government that is seeking to run some populist lines about the failure of public education in this system and the failure, as the government perceives it, of the current TAFE programs. We are entitled to argue about what the relationship will be
between these bodies and existing TAFE colleges.

This year the budget the government brought down actually cut TAFE funding and we have got a proposition in this bill where that is carried forward. This bill is supposed to be about supplementary funding as agreed to as part of a longer term arrangement. But there is no ANTA agreement, so the funding in this bill cuts the funding that has been allocated. This is a bill which is symptomatic of the total failure of the Commonwealth and the Howard government to come to honest and reasonable terms with the states. The principles underlying the ANTA agreement, which should have been embodied in this bill, were about consensus and mutual cooperation. They were about shared responsibilities. They were about mutual obligation between the Commonwealth and the states. All those principles are gone under this government. What you see is a unilateral approach. It is a great irony of modern liberalism, isn’t it, that it was said to be the bastion of a system of government which was centred on a federation whereby the states had an extremely important role? In reality, we have a government that sets in place a highly centralised model of unilateralism where the government seeks to impose its will upon the states using somewhat dubious administrative practices.

I can tell the officers who are here today: we will have a field day with this at Senate estimates. Be prepared, because I can see year upon year of incompetence exposed as a result of this sort of policy making. I do not blame the officers for that. The great disadvantage they have is that they are being asked to implement a political decision without proper processes being set in train, without the necessary public policy rationale being explained and without a clear understanding of what can and cannot be done. We have a political device established by the Prime Minister—in defiance, in my judgment, of even the minister’s view about propriety—which will inevitably, given the past practice, lead to administrative disaster.

The principles at stake here are very important, and they ought to be defended by this parliament. I am very sorry to say that, given the circumstances in this Senate for the coming three years, those principles may well be abrogated as the Commonwealth seeks to impose a politically derived interest which of course is poll driven. It is not based on evidence. It is not based on hard fact. It is based on perceptions that the government has that it believes to be to its short-term advantage by attacking public education and the states in this area with no clear policy imperatives being established as an alternative. These fundamental questions about skill shortages, probity in contractual arrangements and the necessity of ensuring quality assurance will not be able to be protected on the basis of what we have seen to date.

The unmet demand in 2003 in this country for vocational education places is said to be about 57,000 people. In particular, these are older people who are desperately seeking training to improve their job prospects and are not able to secure an opportunity through the existing arrangements. And what is the government’s answer? These bodgie, half-baked proposals to set up private colleges for 7,000. So you can see that this is all about short-term appeal for electoral advantage without any proper examination of what the needs of the country are.

We have acute shortages emerging. Just on the weekend I was advised of a company in Ballarat that is seeking to employ boilermakers. They say that they cannot and that they are seeking several dozen boilermakers. The company says, ‘We can’t find them in the country at the moment.’ I say that is nonsense, but nonetheless they say that we need
to import an entire factory full of boilermakers from China because we cannot provide sufficient trained personnel in this country. Firstly, I do not think they have tried too hard and, secondly, it points to the fact that for years upon years the government has encouraged short-term, cheap and nasty training arrangements and has neither provided the necessary investment itself nor encouraged others to do it. We now have a situation where the government is saying that it seems to be all right to import boilermakers from China to work in Ballarat if it is for undertaking the necessary work. It is appalling for a country of our sophistication and prosperity not to be able to provide sufficient trained personnel in a trade such as boilermaking.

In its July survey of investor confidence, ACCI stated that the lack of sufficient skilled workers is the No. 1 priority on its list of the top 10 constraints on investment in this country. It is well known that the number of trade apprenticeships has in fact increased but it has not kept pace with the necessary demand. The rate at which we have been training apprentices is some 15 per cent below what it ought to be. We have had enormous energy placed in training people how to make cappuccinos and how to flip hamburgers, but sufficient attention has not been paid to getting people to undertake high-level skills training in this country.

We all know the facts: it is expensive. It is easier for employers to get a government wage subsidy to take on an AQF3 in burger flipping or cappuccino making than it is for employers to provide the necessary support and investment in the higher level of skills training. So we have training rates that have fallen far too low as a percentage of the workforce. A detailed study undertaken by the NCVER has shown that training rates for the metal trades fell from 12 per cent in the period 1987-92 to 9.8 per cent for the period 1993-2001—a drop of almost 20 per cent. There has been a similar decline in the electrical trades, at 23 per cent, and in the building trades, at 15 per cent. Rather than having a simplistic view and looking at the numbers of people in training, you have to look at the actual demand. The demand for skilled trades is not being met in terms of the investment that either the government or the private sector is putting into the traditional trades.

Of the 417,000 new apprentices in training, only 32 per cent are in the traditional trades areas. The vast majority of the so-called new apprentices are undertaking short-term training projects in retail and hospitality. While those areas are important, there cannot be undue emphasis on them. You cannot have an unbalanced approach to your training profiles, which is what we have at the moment. We need tradespeople with the depth and breadth of the four-year training programs that are available, and we need to make sure that this is seen to be the backbone of our productivity growth in the country.

Different rates of training apply in the various states and territories. For instance, in Tasmania the proportion of the new apprenticeships in the traditional trades is only 22 per cent, and in the Northern Territory it is only 11 per cent. We have a failure of policy at a national level, accentuated by a failure of policy at a regional level. We have a series of employer incentives being paid by the Commonwealth under the program, which has been geared towards providing additional support to, and undue emphasis on, the short-term trade areas.

The ACTU recently released a study of the cost to the economy of the trade shortages. The study proposes that, over the decade to 2014, the cost to the economy will grow from about $1 billion today to $9 billion. The 250,000 apprentices missing from
the work force will in 10 years time cripple our manufacturing and construction industry. The cost to my state of Victoria will be some $2.4 billion. In New South Wales the estimated cost will be some $3 billion. That translates into many thousands of jobs and a huge loss of opportunity for our economy and our society. However, we have a situation where the government puts $2.3 million into advertising and spends an inordinate amount on promotion and employer incentives—some $500 million per annum now—but does not meet the necessary obligations of the real needs of the economy. In this bill we have an unfortunate situation that has gone on for far too long, and it will become more acute as this government moves ahead in this parliament. (Time expired)

Senator ALLISON (Victoria) (1.20 p.m.)—The Vocational Education and Training Funding Amendment Bill 2004 is now the second bill to roll over VET funding because the federal government has failed to negotiate a new ANTA agreement with the states and territories for the second year in a row. ANTA agreements, as we all know, have been running since 1993, but since at least 1996 they have been the subject of significant funding cuts. The coalition cut TAFE funding in 1996 and 1997 and then froze it from 1998 to 2000. In the five years to 2002 student numbers increased by over 16 per cent, and there has been an annual growth in the delivery of courses of around six per cent per annum for the past 10 years. The funding per training hour fell in real terms by 19 per cent between 1997 and 2002.

By 2002, students were paying $194.6 million in fees and charges, and if New South Wales is indicative of other states their governments are requiring students to make up for the funding freeze. The Democrats do not want to see the TAFE system go down the same road as higher education in terms of massive fees being charged. The government was antagonistic to the TAFE sector from day one. Prior to the election Minister Nelson said that he would resume negotiations for a new ANTA agreement later in the year and that he would be willing to amend the legislation to incorporate any changes from the new agreement. However, the government has slowly but surely moved away from funding the states to funding its own programs, such as the direct purchase of 7,500 training places through private providers worth $20.5 million.

During the election we saw announcements of $1.06 billion of funding over four years for various training initiatives, on top of the ANTA funding. Very little of this funding is likely to go to the states or to supporting those institutions that currently provide almost 90 per cent of vocational education and training in Australia. It is fascinating that the ANTA negotiations stalled partly because of the unwillingness of the federal government to provide satisfactory funding, when they apparently have $1 billion up their sleeves. Within two weeks of the election the Prime Minister announced that ANTA would be abolished from July next year. I ask: how can a government that profess to be a supporter and promoter of vocational education and training abolish a body central to the delivery of vocational education and training?

ANTA agreements detailed the framework for a national VET system with agreed objectives, priorities, assured funding arrangements and consistent national strategies. State specific plans were also negotiated with ANTA within the agreed national frameworks. Only three months earlier, Minister Nelson announced the appointment of five new members to ANTA’s board. The Australian Education Union’s TAFE secretary, Pat Forward said:

It’s perplexing that people who have been at the forefront of vocational education for 15
years—state education departments, TAFEs, unions, small business—weren’t involved in these decisions.

ACTU President, Sharan Burrow, condemned the move, saying that the government was cutting its commitment to the skills and training agenda at the very time when skill shortages are becoming the biggest issue facing the Australian work force and economy. If the government is truly committed—which it says it is—to addressing the problem of skills shortages in our growing economy, why did it abolish ANTA without consultation? The Democrats would argue that this is not the sort of leadership that will deliver improved state-federal relations, nor will it improve training results in the states. It is appalling that the government are playing politics with the state governments and destabilising the structures that provided nationwide collaboration and coordination of the VET sector. The short-sightedness of the Howard government’s education and training policies, I would argue, are close to unparalleled.

TAFE Directors Australia estimate the unmet demand for TAFE places at 42,800 in 2003, and they expect demand to grow significantly. This high level of unmet need is a direct result of the federal government’s four-year-old funding freeze and failure to negotiate a new ANTA agreement. Apart from somewhat limited growth funds in 2001-03, there has been no additional funding, despite an annual growth rate in places of around six per cent per annum for 10 years. Our vocational education and training sector is driven by government to deliver short-term, competency based training packages and a shift to private providers.

In New South Wales alone, 15,400 TAFE teachers are on casual contracts and only 4,800 have ongoing employment. In fact, around 65 per cent of delivery hours in New South Wales TAFEs are from staff on casual contracts, and we do not think that helps deliver world-class training to students. The government needs to consider the type of staff that will be attracted to TAFEs on a casual contract and whether it is in the students’ best interests. Without greater funding of the TAFE sector these problems will never be solved.

The result of underfunding TAFEs is that more students are missing out on a place, we have higher class sizes, increased casual teaching and wasted money on dodgy non-TAFE training providers. Given this history, it is extraordinary to think that Australia has a skills shortage. The Treasurer was quoted in the Financial Review as saying ‘if you want to ensure that there are no bottlenecks in an economy it is important that you continue to supply skilled labour’, yet around 170,000 people will retire from the manufacturing sector in the next five years and as few as 40,000 people are being trained to replace them.

The Australian Industry Group released data showing that there are currently up to 21,000 unfilled apprentice positions in the manufacturing sector alone in Australia. For the first time ever, an Australian Chamber of Commerce and Industry survey found the biggest concern for their members was the increasing skills shortage. The government’s own Intergenerational Report stated, and the message from industry is, that the crisis in skilled employment will worsen and this will impact on future industry investment, taxation revenue and funding for future services.

The Department of Employment and Workplace Relations’ skilled vacancy report for November showed an annual increase of 6.9 per cent in all trades. I ask the minister: is your government ever going to look objectively at the mountain of evidence of skills shortages and respond accordingly? The skills crisis is the result of eight years of coa-
ition government policy failures. There is nothing else that the government can sheet home the blame to. The crisis is indeed in their court and entirely their responsibility.

Australia’s proportion of youth at risk is high compared to other OECD countries, with unemployment levels 2.7 times higher for 15- to 24-year-olds than for adults aged 25 to 54. Ten per cent of school leavers are not making a successful transition to work and, over the past decade, 15 per cent of teenagers have not been in full-time learning or work. The government’s election announcement of an $800 tool voucher was laughable in the face of these enormous problems. The Prime Minister thinks that young people are now going to sign up to apprenticeships to get $800 worth of tools, while they still struggle every week to make ends meet.

The Democrats have been appalled by the low apprenticeship wage rates which currently apply, especially for first and second year apprentices. We know that they act as a disincentive for young people to take up these positions. First year apprentices receive just $235, and second year apprentices receive $308 in wages—lower than both the living away from home allowance at $318.50 and the newstart allowance at $394.60. A wage of $235 a week would barely cover rent, food and transport and would leave nothing to pay for other bills, clothes, social expenses and the like. That amount might be all right if you are a 16-year-old still living at home with mum and dad and they are paying for all of your costs, but apprentices now need to have good maths and English and they need to stay at school for the time necessary to acquire those skills. They cannot now leave school at year 9 or even year 8 as might once have been the case. There is an urgent need to engage young people in training to obtain work skills that will allow them to enter the work force. The cost of doing otherwise, in terms of welfare payments, lower tax revenue, higher health costs and higher crime rates will be much greater well into the future.

The opportunities and challenges of a global knowledge economy mean that our future depends no longer on minerals, sheep or wheat but on the creativity, ingenuity, initiative, ideas and skills in particular of all Australians. At the very least we should be aiming for two years of post-school training for all our citizens—adults as well as school leavers. Strong TAFE institutions with highly developed local community, business and student linkages are best placed for rapid and responsive technology and knowledge transfer. One of the main problems with this government’s policies is that they weaken TAFE institutions. The result of reduced funding is always a narrowing of the courses delivered, and moves to establish federally funded technical colleges will further undermine an already injured TAFE system.

The Chair of TAFE Directors Australia, Gillian Shadwick, believes there has been far too much emphasis on short-term traineeships which have come at the expense of higher level skills training. In response to the coalition’s pre-election training policy announcements, Ms Shadwick stated:

... the policies announced fall well short of what is required to address Australia’s future skills needs.

The Democrats argue that there are many policy areas that need to be addressed in the VET sector. As a minimum, all Australians should have, as I said, two years post-school training. TAFEs are the backbone of the VET sector and cannot be replaced by an assortment of industry training schemes. We should reinvest in our TAFE system by renegotiating the ANTA agreement with an additional five to 10 per cent in annual growth funding in real terms; a requirement that at
least 70 per cent of the content is delivered by permanent professional, accredited teachers by 2007; professional development for TAFE teachers so they have up-to-date industry experience and teaching competencies and qualifications; improved data gathering on skill needs; better sharing of infrastructure, especially in the regions, by public institutions and businesses; improved training and retraining strategies for older workers, people with disabilities and those who are welfare dependent; and a commitment from state and territory governments to nationally consistent and significantly reduced fees and charges for TAFE courses.

We should put on hold ‘user choice’ in the delivery of VET courses until there has been a proper review and evaluation of this private provider model. The current drop-out rate of new apprentices in VET needs to be addressed. Quality and successful completion need to be rewarded and student support must be improved. Different learning rates and student needs should also be recognised if we are to make significant progress in this sector. Fees and charges, we think, should not be allowed in VET programs in schools as they are a barrier to student participation. The Democrats support government links with industry to assist the transition between school and employment and further education but argue that this should be done in a balanced way rather than giving industry complete ownership of the process.

With the abolition of ANT A from July next year, around the time the government will gain control of the Senate, an independent review of Australia’s current and future vocational education and training needs is needed to guide what appears at present to be a rather ad hoc and short-sighted approach to VET.

The Democrats will not oppose this bill because we do not want to stop the money flowing, as disappointing as the level of funding is in the bill. For any government to be reducing funding for VET in the middle of a national skills crisis is ridiculous and appalling and is obviously not going to solve the skills shortage. The government has led us down the path to a skills crisis through funding cuts and funding freezes to TAFEs and discouragingly low apprenticeship wages. Now its refusal to index inadequate growth funds has again delayed adequate funding flowing to the sector.

Failure to gain agreement from the states and territories for a new ANTA agreement for two years reduces stability in the sector and is placing further financial pressure on TAFE, businesses and other VET providers. The Democrats urge the government to introduce appropriate policies that will move Australia out of the skills crisis and provide the necessary training for our young people.

Senator SANTORO (Queensland) (1.35 p.m.)—Education, science and training minister Brendan Nelson’s program to establish 24 Australian technical colleges across the country—including four in my home state of Queensland—is one of the most progressive and forward-thinking proposals to come before the Australian parliament. It underlines the total commitment of the Howard-Costello government to skilling Australia in precisely the way we need to skill our nation. It gives practical vocational education the same weight in terms of policy commitment as university training. It recognises that pursuit of a university degree is not for everyone and that high trade or technical skills are just as valuable and should ultimately be just as rewarding.

My career in politics and outside politics has had a focus on training and vocational education as a crucial element in national life. So it is especially pleasing that the government’s effort in this area has been allo-
cated to my friend and Queensland Liberal colleague the member for Moreton. I want to place on record my view that Gary Hardgrave will be a fine success in the portfolio of vocational education and training. He is a very energetic man who focuses strongly and proactively on the job at hand—as he did in the third Howard ministry as Minister for Citizenship and Multicultural Affairs, another great interest of mine.

I come to this debate with great optimism—indeed with total confidence—that, despite what we have heard during this debate, the proposed network of Australian technical colleges will do the job. They will give high-achieving young Australians a great start in their chosen trade. By refocusing the national effort, by bringing the real requirements of business and industry and individual employers fully into the mix, the national network will offer vocational education and training opportunities to young Australians that will set them up for life.

In my own state of Queensland we have a great opportunity to boost future workforce skills through the establishment of four federally funded Australian technical colleges at Townsville, Gladstone, Brisbane and the Gold Coast. As a former Queensland minister for training, I know that the new colleges will create fresh opportunities for our young people to acquire excellent trade skills of which they can be rightly proud. It is essential that we provide high-quality tuition in both academic and vocational education for students in years 11 and 12 who want to pursue a trade. We must do all we can to help provide skilled entry level workers in key trades with shortages in those disciplines. That is what the Australian technical colleges will do and that is why they are a really good idea that deserves—and, in my view, has won—widespread support throughout the VET community.

The colleges will be linked to, and endorsed by, industry and run autonomously by principals, who will engage teaching staff on a performance pay basis. That is an important development in its own right and one that brings into the equation the principle of reward for excellence. It is my view that excellence is very much needed within the VET system, a system that, despite what we heard from Senator Allison, is run almost exclusively by the states and is very heftily funded by the Commonwealth at record levels.

The government wants to move Australia away from the mistaken belief that success for young Australians can only be equated with a university degree. It wants to eradicate any residual feeling that new apprenticeships and vocational education are second best to university. Our commitment as a government is to build an even stronger economic future and provide opportunities for all Australians. That is what the new technical colleges will help achieve. As part of their training, students at the new Australian technical colleges will be able to undertake academic, information technology and business courses. This will mean they will graduate with the necessary trade, entrepreneurial and business skills for self-employment and will have the choice to go on to further education and training.

This is a positive and progressive development that stands in stark contrast to the political game playing of the states over the Australian National Training Authority and funding. ANTA has now been scrapped because the states would simply not play the game. They played the politics and ignored the legitimate rights and aspirations of young people, particularly the young people who wanted to progress through the VET system. The Vocational Education and Training Funding Amendment Bill 2004 provides for immediate funding mechanisms to replace
the old agreement made redundant by the states and for negotiation of a permanent agreement. The states must realise that when spending federal dollars they have a responsibility to spend them wisely and in accordance with national aims and objectives. The Australian technical colleges are a key element of the national vision for training and vocational education and are institutions that I believe will serve our young people very well.

Senator BUCKLAND (South Australia) (1.40 p.m.)—Since the beginning the Howard government has failed to come to grips with the importance of vocational education and training. It is an issue that it has not been able to successfully deal with throughout the course of government. If we look at Australian industry today, we can only conclude that the Howard Liberal government has failed the basic skills test. For years now, despite numerous calls from industry and calls from the secondary, vocational and tertiary education sectors, the government has allowed Australia’s work force skills and potential work force skills to fall to a new critically low level. This failure has had a marked impact on the ability of small, medium and large industry to plan for the future and to develop and expand.

I am reliably told by those in the vocational training sector that skills as productivity driver have declined by 75 per cent in 10 years. It is now clear for everyone to see that we have critical skills shortages in key trades and industries such as engineering, electrical, mechanical, bricklaying, plumbing, metal fitting and fabrication, child care, aged care and nursing. We also have a critical shortage of skilled workers in the meat industry. The Productivity Commission has found that Australia needs more skilled workers and greater skills growth if we are to address the country’s skill shortages, to improve the standards of living and to remain internationally competitive. But, because the Howard government has failed to fund enough places in TAFE each year, tens of thousands of Australians wanting training have been turned away.

The greatest growth in new apprenticeship schemes has occurred in areas where there are no skills shortages. One study has found that between 20 and 30 per cent of new apprentices receive inadequate training and about half the people who do not finish their new apprenticeship say it is because they feel they are being used as cheap labour instead of being trained for the trade they wish to pursue. It makes me think that the government has more focus on addressing industry needs by introducing unfair dismissal laws rather than on providing real training and education for the existing and the prospective work forces.

Prior to coming to this place I spent many years on the board of a TAFE institute. I saw many changes there, but the most startling changes came in those first few months after the Howard government came to office. It was almost like night following day, the changes were so stark. There were changes in attitude and direction and there was a lack of information. The emphasis moved from one of successful training completion to one of asking what institutes could achieve for status and numbers. But the funding was not there to provide what the sector believed they were seeking. Even today there is confusion within the TAFE sector as to their future role. That is not because they have failed. It is because, firstly, they are not getting the funding and, secondly, they are not getting direction from the federal government.

Senator Santoro’s contribution earlier was particularly helpful because it told me more about the new institutes of technology than I have been able to find out from other
sources. I think there will be an opportunity to speak about those institutes at some future time. In my contribution to the address-in-reply I said I was somewhat warmed by the thought of these new institutes, but if they are at the cost of an effective TAFE system then I wonder what this is all about. Is this just a bit of smoke and mirrors by the government to fudge their failure with training?

This is an important area for our consideration. I cannot see where the government is going with it. As I said, Senator Santoro’s contribution was somewhat helpful. Obviously, he has a lot more information on the subject than has been made generally available. I will read his speech at today’s conclusion to try and gain a little more from it. A worrying factor in his contribution was that rewards might be based on the success of students, that there might be bonus schemes for instructors. I do not really know what that means, but I am sure he would be happy to help me work my way through it.

It is interesting to note that the Australian Industry Group found recently that currently there are 18,000-21,000 unfilled vacancies in industry for tradespeople. These vacancies were brought about by people not being sufficiently trained. There are not enough people with skills of a sufficient quality to perform tasks for those seeking work to be done. The situation is now very stark in heavy industry where the emphasis has been on the core business of an organisation and doing away with tradespeople and maintenance people—just bringing in flying squads or contract workers. Industry are now finding that they do not have enough people with the right skills coming through the gates for shutdowns, for major repairs and for ongoing maintenance. The skills are clearly not there.

Prior to coming to this place I was also involved in a group training scheme. I had a lot of time for this scheme, where young people took on apprenticeships with more than one employer, and thought it might be the way forward. But as time went on we found that—and it was not through lack of effort by the group training schemes but through the nature of the industry—people were not getting sufficient skills for specific industries. If a large industry is not getting people trained properly in, say, fitting, turning, plumbing or carpentry to suit all the sectors, it will have jacks-of-all-trades and masters of none. People do not acquire sufficient skills to do the work that they are called in to do. Industry is now suffering from that. That revolution was brought about by industry itself. The problem we have is that there are not enough people to do the work.

What is more important, according to AiG, is that the number of traditional apprenticeships has remained largely unchanged since 1996 when the Howard government came to office. According to the department of employment, vacancies for skilled tradespersons have increased by a staggering 54 per cent over the last three years. There is not the number of people there to do the work. The figures rise quite sharply in key industries such as the metal trades, automotive, electrical and construction industries. In fact, they are rising every day and work is being deferred because there are not sufficiently skilled people to do the work. People can use backdoor tradespeople who tell them they have all the skills in the world when, in fact, they have none at all. Recently I was caught up in a situation like that, so I know that it is going on. Someone came to do a job for me and, when I asked about his business and activities, I determined that this fellow was not all that he had cracked himself up to be. The work is still waiting to be done.

The National Centre for Vocational Education Research say that, since 1999, there has been a massive 22 per cent drop in apprenticeships in the traditional trades. That is
incredible. It is a worrying situation. I come from the traditional trades area and I have seen at first-hand the need for those skills. Only one in three apprenticeships were in the traditional trades field for the June 2004 quarter compared with 42 per cent five years earlier.

It is local businesses that are suffering, because there is now a shortage of about 20,000 skilled workers, as I said before, in sectors such as carpentry, construction, manufacturing and mining. At one time you could say, ‘I won’t go and do a job because it’s too far from a capital city.’ That excuse no longer applies because of changed transportation needs and the manner in which you can travel to and from a job. The shortage is occurring because we do not have trained people to do the work. AiG says that over the next five years 175,000 people are expected to leave the traditional trades, while only 70,000 will enter those trades. So there will be a shortfall of over 100,000 skilled workers because of natural attrition and because of workers seeking alternative career paths and thus moving from one industry to another.

It is a legacy of this government that we have reached our current predicament so quickly. Everything that has been put in place over many years has been destroyed. It worries me that a government can be so blind to the real needs of this country. It pretends to stand up for industry and says it will get tough on industrial relations law; in fact, the real issues that have to be dealt with involve those people who are at the work sites and those young people who are trying to get training. Money is required to provide training for those people.

The Vocational Education and Training Funding Amendment Bill 2004 amends the Vocational Education and Training Funding Act by limiting funding to the vocational education and training sector. It will reduce the level of funding for vocational education provided to ANTA—and we have heard about the destruction of ANTA—for distribution to the states and territories in 2004. Funding will fall from $1.36 billion to $1.31 billion. This is a reflection of the Howard government’s failure to understand the needs of our country and of people trying to enter the work force in order to fill the shortages that are obviously there.

The bill seeks to appropriate up to $1.154 billion in funds for vocational education and training to be distributed by the states and territories in 2005. The bill represents another reminder that the Howard government cannot be trusted when it comes to the education and training of Australians. The Howard government slashed $240 million from the VET sector in its first two budgets. The government should spell out what the new technical colleges will do. We need to know—Senator Santoro in his speech helped a little in this regard—whether these colleges will duplicate what is already provided by the TAFE sector. We need to know whether people will be fast-tracked into trades having received little training but having received a big certificate to say that they have done some training. Will the training be of the same quality and lead to the same level of ability that currently applies? Will the new institutes replace the current TAFE sector or will they simply represent another avenue of competition and of putting training in the hands of the private sector? We do not know the answers to those questions. They have not been spelled out for us.

At the same time that all these things are going on, business is crying out for more skilled staff, and there is a major shortage of TAFE places. It seems to me that the government needs to re-examine exactly where it is coming from and going to in relation to the training of tradespeople. The blame for
all the disasters we are experiencing now—insufficient tradespeople, not being able to get people to do work and high levels of job vacancies in the trades area—rests with the government and its inability to accommodate the needs of industry. My friend the member for Hindmarsh, Steve Georganas, in his first speech in the other place a couple of weeks ago, outlined the real problems we have in South Australia with the construction of a new airport terminal. There is a great shortage of plasterers, fitters, plumbers and carpenters. Excessive wages are being paid in order to try and attract people to do this work.

People in the TAFE sector give a very clear indication that they are not sure where their future lies. They have put in the effort to build a quality, first-rate training organisation that is the talk of the rest of the world. However, through the creation of these new institutes, it seems that the government is seeking to undermine them and take from them the very skills that they have built up in the area of training in this country.

Debate interrupted.

MINISTERIAL ARRANGEMENTS

Senator MINCHIN (South Australia—Minister for Finance and Administration) (2.00 p.m.)—by leave—I inform the Senate that Senator Hill, Minister for Defence, Leader of the Government in the Senate, Minister representing the Prime Minister, Minister representing the Minister for Trade, Minister representing the Minister for Foreign Affairs and Minister representing the Minister for Veterans’ Affairs, will be absent from question time today. Senator Hill is currently returning from official business overseas, and I am sure he will be back tonight. During Senator Hill’s absence, I will take questions on behalf of the Prime Minister’s portfolio, Senator the Hon. Ian Campbell will take questions on behalf of the portfolios of Foreign Affairs and Trade, and Senator the Hon. Chris Ellison will take questions on behalf of the portfolios of Defence and Veterans’ Affairs.

QUESTIONS WITHOUT NOTICE

Environment: Program Funding

Senator WONG (2.01 p.m.)—My question is to Senator Ian Campbell, the Minister for the Environment and Heritage. Can the minister confirm that Primary Energy Ltd has sought funding for its Gunnedah grains-to-ethanol project under the environment department’s Greenhouse Gas Abatement Program? When did the company seek funding under this program, and what was the amount of funding sought from the Environment portfolio? What were the reasons the minister declined to provide funding support from his own portfolio?

Senator IAN CAMPBELL—I do not have details of that. I am happy to seek any relevant information in relation to the greenhouse program. I will have to check on the detail of the program. But, once again, what you see here is Labor attacking a proponent of a proposal, attacking a program that is designed to assist a regional community that is suffering from the effects of water reform and attacking a proposal that has significant benefits for that regional community by creating 50 permanent jobs, 350 additional indirect jobs and significant advantages for that community through a small grant through the Regional Services portfolio. What you saw here last week, Mr President, was, firstly, Labor attacking the proposal. Secondly, when they found out the proposal had passed the guidelines of not only that program but a previous program, they then started to attack the project itself. When they found out the guidelines had been adhered to and the project had been approved based on those guidelines—
Senator Wong—I rise on a point of order, Mr President. The minister was asked specifically about a decision on funding—or lack of funding—for this project in his own portfolio. He is clearly nowhere near that in his answer. The point of order is on relevance. I would ask you to bring him to the question. What he is going on about is entirely irrelevant to the question that was asked. We asked him about the decision in his own portfolio area under the Greenhouse Gas Abatement Program, and he seems to be unable to answer the question.

Senator IAN CAMPBELL—On the point of order, if Senator Wong were to be honest and read the question again, she would see that the question specifically referred to a project that had been approved under one program and she was asking why it had not been approved under another. I am now talking about the project, talking about the approvals process that it has been through—

Honourable senators interjecting—

Senator IAN CAMPBELL—I am specifically answering the question that Senator Wong was asking.

Senator Wong—On the point of order, Mr President: I am happy to read the question again, because it does appear from the minister’s contribution that he may not have heard the question correctly.

The PRESIDENT—It is my understanding that you asked the minister a question and he said he would get information on that question. I suspect that perhaps that should have been when the minister sat down because, really, the rest of the answer was not relevant strictly because the minister had already said he would get the information. I thought he may have been adding more information to the answer. On the point of relevance, Minister, you have two minutes left. If you have anything to add to the answer, I would invite you to do so.

Senator WONG—Mr President, I ask a supplementary question. Could I confirm that the minister is going to take on notice the original question, which was on the decision not to fund this project under the Greenhouse Gas Abatement Program, which is a program within his portfolio. Can he confirm that 15 projects have in fact been funded under that program—the Greenhouse Gas Abatement program? Can he provide detailed reasons as to why an application for funding from Primary Energy Ltd was not successful? Perhaps he could explain to the Senate why he told us last Wednesday that the project was a great win for the environment when his own department has declined to back the project.

Senator IAN CAMPBELL—It is totally inaccurate to say that my department have declined to back the project. Senator Wong claims that it was not funded under the Greenhouse Gas Abatement Program. As I have said, I am happy to see whether or not it was even an applicant, and what the reasons are. It is a fair question. But she presumes that my department have not backed this project. The reality is that, regardless of whether it has been approved under the Greenhouse Gas Abatement Program, any other program in my department or any other program within any other department—which I was addressing in my first answer—this project is a good project. It helps the local community. It helps a region that is suffering because of reform to water. It helps a region that is suffering from high levels of unemployment, and this is an employment generation program as well. It is a positive project that, once again, the Labor Party are trying to tear down because they do not like regional Australia being assisted by a federal government that is focused on helping regional Australia.
Industry: Tariffs

Senator CHAPMAN (2.07 p.m.)—My question is directed to the Acting Leader of the Government in the Senate, representing the Minister for Industry, Tourism and Resources. Will the minister inform the Senate of the benefits to the Australian economy which have flowed from tariff reductions? Has the minister considered any alternative policies and what has he concluded from any such consideration?

Senator MINCHIN—I thank Senator Chapman for that very good question, because 1 January 2005 marks a significant milestone in this government’s efforts to foster an internationally competitive and innovative manufacturing sector in Australia. In less than four weeks time, tariff levels for the TCF and automotive industries will drop as part of the government’s commitment to reducing tariff levels to no more than five per cent across industry. These tariff reductions, which are to take place in less than four weeks, represent a saving to consumers of around $700 million per annum. Under these new schedules, car tariffs will be cut to 10 per cent and to 17.5 per cent for most clothing and finished textiles.

Tariff reform has of course been a crucial plank of our economic reform agenda. We understand that firms need assistance to adjust to these lower levels of tariffs and we have implemented very significant industry assistance packages. By 2015, these industry packages will be worth about $7 billion to the auto industry and $1.4 billion to the TCF industry. Despite what we hear from the left, particularly the union movement, in many cases tariffs do not make firms competitive or viable on their own and they do not assist companies to innovate or to invest. As some in the Labor Party understand, it is consumers who pay the cost of tariffs. Existing TCF tariffs alone are going to cost consumers up to $1 billion a year or about $150 for every household. So the TCF tariff reductions to take place in less than four weeks represent alone a $6.3 billion tax cut for Australian families over the life of this package. The car industry is a great example, as Senator Chapman would know, of the benefits of tariff reductions. Ten years ago, with a tariff of 27.5 per cent, Australian manufacturers produced 312,000 vehicles and exports of just under 24,000. In 2003, with a tariff of 15 per cent, 407,000 vehicles were produced and there were exports of 120,000 vehicles—a fantastic result for the industry.

Of course there was a time when those opposite in the Labor Party had a genuine commitment to tariff reform, but you have to go back to the mid-eighties to find it, although I must acknowledge that even the current Leader of the Opposition supported tariff reform in 1995, when he said that tariffs are the most anticompetitive practice in which any government can engage. He ought to make that point to Mr Doug Cameron. But as is so often the case with our political opponents, there is lots of rhetoric and not much action. So instead of endorsing the government’s tariff reforms, the ALP went to the last election with a policy to slow down the legislative reductions in auto and TCF tariffs to pay for their shambolic and hopeless tax package—the one where the $600 was not real. When they did that, they finally abandoned any claim to responsible economic management. Nevertheless, the government does welcome the ALP’s belated announcement that they will support the government’s TCF package after blocking its implementation for so long. The tariff cuts that will take place on 1 January are a tax cut for ordinary Australians and they are a vital part of the government’s economic reform program.
Environment: Program Funding

Senator CARR (2.10 p.m.)—My question without notice is to Senator Ian Campbell, the Minister representing the Minister for Transport and Regional Services, and I want to emphasise that it is in his representative role. I refer the minister to the $1.2 million grant awarded to Primary Energy Pty Ltd under the Regional Partnerships program and I ask whether the company’s application disclosed the fact it has unsuccessfully sought funding from the Greenhouse Gas Abatement Program and the Biofuels Capital Grants scheme. Is it also the case that the project failed to meet the guidelines of the stand-alone Namoi Valley Structural Adjustment Package?

Senator IAN CAMPBELL—I have not seen the application for the regional services grant. As Senator Carr would know, that is in a different portfolio. But I have been told, which partially answers the question of Senator Wong earlier, that in fact the proponents from PEL made no application under the Greenhouse Gas Abatement Program and the Biofuels Capital Grants scheme. Is it also the case that the project failed to meet the guidelines of the stand-alone Namoi Valley Structural Adjustment Package?

We now see that the premise of Senator Wong’s question was wrong and that the premise of Senator Carr’s question is now wrong. It exposes Labor once again in an unashamed attack on a regional group of people who want to get together and work within the region to develop a program that is good for employment, for the environment and for building jobs—50 long-term jobs, 350 jobs indirectly. And what have we got? We have got Labor’s inner-city, cappuccinosipping senators coming along and belting regional Australia—regional Australians who want to be part of helping the environment. They are part of a program to reform Australia’s water use, to ensure that water is used sustainably. They want to do some readjustment and some structural adjustment and develop other businesses. All we have is a cacophony of inner-city Labor senators trying to drag down Australians living in the regions who want to get on and do something good for their community, for employment and for the environment.

I suggest to Senator Carr and to Senator Wong that, instead of sitting in the inner suburbs of Australia during the summer recess, they go out and get themselves a pair of boots, walk around the dusty backblocks of regional Australia and speak with some fair dinkum Australians who are keen to see this country develop. Last week I suggested that they buy RM Williams boots and get them a bit dusty, but they want to close down the RM Williams factory. Next day I said to go for Blundstones. I saw in the Herald Sun this morning that there is a special on Bata Industrials—$89.99. They might fit Senator Carr. Go out and get them dirty, talk to some real Australians who actually want to help Australia, the economy and the environment, rather than come in here carping, whinging and being negative and oppositionist, as you have been for the last eight years.

Senator CARR—Mr President, I ask a supplementary question. I would ask the minister to confirm that he will take that question on notice. Further, will he confirm that the principals of Primary Energy Ltd actually told ABC radio that they had applied for a grant under the Greenhouse Gas Abatement Program? I would ask the minister to confirm whether there was a formal or
an informal application and whether or not such statements were made to ABC radio. In doing so, I would also seek the minister’s answer as to whether or not the Gunnedah grains-to-ethanol project was rejected under the Namoi Valley Structural Adjustment Package, the Greenhouse Gas Abatement Program and the biofuels capital grants scheme. Is it also the case that the program failed to meet the tests laid down in the published Regional Partnerships program guidelines and that the only way this Gunnedah project could get up under these dodgy secret guidelines was devised and approved by the local member? Was it not the case that the project failed to meet those accountability requirements? *(Time expired)*

**Senator IAN CAMPBELL**—Once again we have Labor tearing down a proponent of a proposal that helps regional Australia. You have to presume from Labor’s attack that they would stop funding going to all of these proposals. That is the threat of Labor. Last week Senator Carr said they should not get the money because the place of business of the person who put forward the proposal was the same as his place of residence—that is, a farm. Senator Carr is so out of touch with regional Australia that he does not understand that most farmers actually run their businesses from their farms. This proposal passed the guidelines. What is Senator Carr doing now? He is attacking the guidelines. He will do and say anything to stop any reasonable development in regional Australia. This government stands by regional Australia; Labor want to tear it down.

**Workplace Relations: Small Business**

**Senator BARNETT** *(2.16 p.m.)*—My question is to the Special Minister of State, Senator Abetz, the Minister representing the Minister for Employment and Workplace Relations. Will the minister inform the Senate of the benefits to the economy of exempting small business from unfair dismissal laws? Is he aware of press reports that indicate that around 75,000 new jobs could be created if the Senate were to fix these laws? Is the minister aware of any alternative policies?

**Senator ABETZ**—I thank Senator Barnett for his question and acknowledge his keen interest in the challenges and opportunities faced by small business. Let me begin by reminding the Senate that in the last 8½ years this government has created the conditions which have allowed for the creation of 1.4 million extra jobs, whilst real wages have grown by more than $200 a fortnight. Recently, Mr President, you, Senator Barnett, I and a few others met with the restaurant and catering representatives of the Australian Hotels Association—tourism and hospitality being a growth area in our home state because of the Bass Strait Passenger Vehicle Equalisation Scheme initiated by the Howard government. One of the major things that they were concerned about was the cost and the burden of unfair dismissal laws.

We heard the same thing more recently when Senator Colbeck and I met with the Tasmanian Country Sawmillers Federation, a meeting that I am sure Mr Latham would not be very anxious to have at the moment. The overwhelming majority of sawmillers are small businesses, and they live in the constant fear of vexatious claims—something the Howard-Anderson government wants to relieve them of. Sadly, many small businesses often just pay out dodgy claims rather than go through the high-cost processes of the court system. And it is once bitten, twice shy when it comes to employment.

**Senator Ludwig**—That is your rhetoric.

**Senator ABETZ**—This is not mere rhetoric. For example, the restaurant and catering industry has estimated that it costs on average $3,600 and around 63 hours of manage-
ment time to defend an unfair dismissal claim. That is time and money that small businesses simply cannot afford. How many of those opposite have actually run a small business? Zero. But they have all been trade union officials.

Senator George Campbell—What business did you run, Eric?

Senator ABETZ—Abetz, Curtis and Duncan. I was the senior partner in a law firm.

The PRESIDENT—Order! Senator George Campbell, interjections are disorderly.

Opposition senators interjecting—

The PRESIDENT—Order! The Senate will come to order. I remind senators that continuous shouting across the chamber is grossly disorderly.

Senator ABETZ—I would invite Labor senators to listen to what the Melbourne Institute in their 2002 study found, which was that the unfair dismissal laws in this country are a roadblock to the creation of 77,000 jobs. That is why the government will reintroduce its fair dismissal reform bill. That is a bill which, on well over 40 occasions, the Australian Labor Party has sought to block. Labor should know exactly how long, complex and tedious it is to give underperforming workers their three warnings before dismissal. Senator Faulkner got one warning at the 1998 election, then one at the 2001 election and then in 2004 the third warning came and finally Labor were able to get rid of him from the leadership of the opposition in the Senate. I am sure Mr Latham is getting more than three warnings an hour from Senator Conroy, Bob McMullan and others. I would invite Labor in this Christmas season to show some goodwill and join with us in delivering to 77,000 Australians the opportunity of employment in the year 2005. That would be a way that Labor could celebrate with their fellow Australians and make a real difference for the benefit of our nation.

Family Services: Child Care

Senator JACINTA COLLINS (2.21 p.m.)—My question is to Senator Patterson, the Minister for Family and Community Services. I refer to the minister’s comments over the weekend regarding the need for greater national regulation in child care. Does the government intend to take any action to limit the amount of market share any single child-care provider can obtain, in particular through the merger of already large corporate services? Does the government support the proposed merger between ABC Childcare Centres and Peppercorn, the two largest private and for profit child-care service providers in Australia? What effect does the minister expect such a merger would have on the diversity of child-care provision in Australia, service quality, the affordability and availability of child-care places and the viability of the industry as a whole?

Senator PATTERSON—I thank the honourable senator for her question. This is the typical sort of question you expect from Labor—a question about who runs child-care services; not about how they are run, about their quality or about their safety. It is typical of Labor to focus on who runs them. There is a question before the ACCC about the merger. I am not going to discuss that. The merger and competition is not an issue for my portfolio. The ACCC will look at that and investigate whether a merger of those two companies is appropriate. The most important thing from my point of view as minister is to ensure that we have high-quality, safe child-care services. Who runs them is not the most important issue; how they are run is the most important issue.

When I met with the National Childcare Accreditation Council I was concerned that
there were some types of child care, particularly outside school hours care, for which about half the states and territories do not have regulated standards. That makes accreditation very difficult for us. It is an issue that should be addressed very quickly. Those states should step up to the plate and bring into place appropriate regulations for those services, as has been done in other states, to ensure that we have high-quality, safe child care. It would facilitate and assist child-care providers who provide child care across the nation, some of which are not-for-profit, to have greater standardisation of standards to enable training and to facilitate and streamline the maintaining of standards. I believe that with cooperation from the states this could be achieved in the long term. But in the short term it is absolutely vital that we have standards for outside school hours care in particular, and in any state that does not have standards for family day care this needs to be addressed.

I remind honourable senators of the enormous increase that we have seen in funding for child care under this government. In their last six years Labor spent $4 billion on child care; in the last six years we have spent over $8 billion on child care—almost double the amount. We have actually increased child-care places by 83 per cent. On 1 January 2005 the child-care tax rebate will come into force—another $1.1 billion being injected into child care. In addition, we have measures for grandparents who are caring for children.

What we need from Labor is a policy—not a policy of some shonky, one day of free child care that the then shadow minister said was just a drop in the ocean, and I agreed with the then shadow minister that it was a drop in the ocean. We need Labor to concentrate on policy, to concentrate on getting right the policies that they took to the last election—which were in many cases hopeless—and to get over this issue of leadership, rather than looking on and saying who or who should not run child care. The most important thing for parents is that we have quality child care. That is the absolute priority for a government—to ensure that we have quality child care, affordable child care and accessible child care.

**Senator JACINTA COLLINS**—Mr President, I ask a supplementary question. Taking the minister back to the point at hand: if market dominance is not an issue in relation to the provision of child care, why did you reiterate over the weekend that the government is monitoring the level of market dominance in child care? Given the massive taxpayer financial stream flowing to this industry, particularly through child-care benefits, salary sacrificing and the proposed child-care rebate, does the minister have a view on increasing the market share of the merged group, which is approaching 40 per cent of the Queensland child-care market? Is such a dominant market position desirable in any industry, let alone in child care?

**Senator PATTERSON**—I know that they have the questions written out for them before question time and they just get up and ask their supplementary questions, but I answered this question. I said that the ACCC will investigate in any industry a situation where they believe that market share is a monopoly or is reducing competition. My priority is to ensure that we have quality, safe child care. The issue of competition will be addressed by the ACCC if necessary.

**Immigration: Rophin Morris**

**Senator GREIG** (2.27 p.m.)—My question is to the Minister for Immigration and Multicultural and Indigenous Affairs, Senator Vanstone. I refer the minister to the revelation of last Friday, International Day of People with a Disability, that young Rophin Morris and his parents were recently rejected
for permanent residency by the Department of Immigration and Multicultural and Indigenous Affairs because Rophin has autism. Can the minister explain DIMIA’s rationale for rejecting this application, particularly given that Rophin appears in a calendar promoting government services, which the Parliamentary Secretary (Children and Youth Affairs) has described as ‘offering glimpses into the lives of talented, very determined and vibrant Australians with disabilities’?

Senator VANSTONE—I thank the senator for the question because it gives me the opportunity to clarify some detail that may not have been clear to people who would obviously be interested in this case but who can only rely on the media for information, and the media themselves of course can only rely on information that is given to them by some interested parties. This case is like a lot of other cases where people have been in Australia for a period of time—and even some who have not—who then want to stay in Australia permanently and so make an appropriate application to do so. That application is assessed. One of the things that is always considered is the health issue, which relates to all family members. What is considered then is the level of the health issue, and that may require the initial decision maker to give a no in the full knowledge that that would then go to probably the MRT or maybe the RRT. Having done that, if it is still a no, the family can lodge a request for ministerial intervention, which is the primary purpose for ministerial interventions for cases that fall outside the law but which some of us on occasion would say, ‘In this case the law’s made an ass of itself.’ It falls upon the immigration minister to make those decisions.

People know when their visas are running out and, in particular, people who have quite experienced migration agents know when their visas are running out. I am at a loss to understand why this family, and in particular why their migration agent, who has been working with them for two years, who would know their case and who put in the intervention request, failed to put in the request for a bridging visa—which left this family unlawfully in Australia because their visa had run out. If someone is unlawfully in Australia, the only way they can stay is if they are either in detention or given a bridging visa.

Some people from my department visited the family and gave them all bridging visas individually, so if one person went out it would have taken a couple of hours to sort out. As a consequence of this, I hear that we are planning to deport this family. That is not the case. They have an intervention request afoot. As of this morning it was still in the department. There are matters that need to be put together in a file to go to the minister so the minister can properly consider all the issues, and although I expect it will come sooner rather than later I will give it proper consideration. I am not going to say in advance, because I am not going to decide in advance, without seeing the file, what the decision will be. But I can say this, Senator: it has occurred to me to go back over all the stage 2s that I have decided since I have had this job and just see whether it would be possible to release some information about it, because you can be sure when someone gets a no they go to the media, and they are genuinely unhappy, so we have genuine tears. Everybody portrays the relevant decision maker, whether it is one of the tribunals or the minister, as being cold hearted.

There are many, many decisions made to allow people to stay, where they are otherwise outside the parameters of the law, and there are difficult decisions to be made. Some people with expensive treatment for AIDS are permitted to stay. One young guy was able to stay recently because he had to have a transplant and it would be a certain
... one of the most expansive and detailed reviews of residential aged care ever produced. It identifies significant challenges facing the residential aged care sector, and the Australian government is considering a range of recommendations which are designed to help meet the present and future care needs of older Australians.

In light of this ringing endorsement of Professor Hogan’s work, does the minister now agree with Professor Hogan’s assertions that aged care administration in Australia is stuck in a Stalinist time warp? Given the Howard government’s conspicuous failures in aged care policy over eight years, how will the government respond to Professor Hogan’s statement that nursing home bed administration ‘has its ideological basis in the central planning offices of Moscow in 1928’?

Senator PATTERSON—I cannot remember whether Senator McLucas was here when Labor was in government and running aged care. It was disgraceful—absolutely disgraceful. We went around nursing homes and I was appalled to go to those nursing homes, and Labor closed none of them—zero. Mrs Bronwyn Bishop, the then Minister for Aged Care, closed 200 nursing homes which were below standard. She had the guts to go out, take the tough decisions and close down those nursing homes—a lot of them in Victoria—which were below standard, which were substandard, where you would not have put an animal. That was the sort of state that aged care was in when Labor ran aged care. When Professor Gregory had a report—

Senator Chris Evans—Mr President, I raise a point of order. The point of order goes to relevance. While we all enjoy the minister’s reminiscing about the bad old days, perhaps she could actually answer the question. I draw attention to the question. After 8½ years, surely the government must be responsible for something. Could she address the question, which went to her own gov-
ernment’s review of their own aged care system.

The PRESIDENT—There is no point of order, Senator, but I would remind the minister she has three minutes left to answer the question and I would remind her of the question.

Senator PATTERSON—I am just putting into context what it was like under Labor, when Professor Gregory found that 13 per cent of nursing homes failed to meet relevant fire authority standards, when 11 per cent of nursing homes did not meet the relevant health authority standards, when 70 per cent of nursing homes did not meet the relevant outcome standards and when 51 per cent of nursing home residents were living in rooms with three or more beds. That was the legacy we inherited. Aged care was in an appalling, shocking state. Thirteen years of Labor and we saw aged care in an appalling state. I have always given credit where credit was due and said that when in-goings were brought in under Labor, and we as a responsible opposition supported them—

Senator Chris Evans—Mr President, on a point of order: the minister now has another minute and still has not brought herself to address the question. You urge us to make question time relevant. I ask you to ask the minister to answer the question, not rave on about the bad old days, as she remembers them—inaccurate as it is. The question was about the government’s own review of aged care. The minister ought to answer the question.

The PRESIDENT—Once again, I cannot direct a minister how to answer a question, but I would remind her of the question and remind her that she has two minutes and 26 seconds left to answer that question.

Senator PATTERSON—The Labor Party do not like to be reminded of what aged care was like under them. We saw some changes in hostels, but they did nothing about nursing homes. We are actively planning for the ageing of the population. We want to ensure that Australia has a quality, accessible and sustainable aged care system. Since taking office in 1996, the Howard government have provided $37 billion in aged care funding—and will provide a further $30 billion over the next four years—when we introduced a quality accreditation system, allocated more than 68,000 places and gave older Australians a greater choice in the types of care they receive, including more community care places to allow older people to stay at home for as long as possible.

In the budget this year the government responded to the short- and medium-term recommendations of the review by implementing 18 of the 20 recommendations while committing to consulting with the community and the sector on the few remaining medium-term recommendations and the six long-term options. It has been gradually introducing a series of reforms to ensure a world-class system of aged care. The review’s recommendations and the government’s response is another step in the reform process. The $2.2 billion in additional funding this year will translate into $30 billion for the sector by 2008. The government has established a ministerial implementation task force to oversee the implementation of the review’s recommendations. When the government is confident that the impact of these options on those needing care has been fully considered, it will decide what elements may be implemented in the long term.

Senator McLUCAS—Mr President, I ask a supplementary question. I am pleased that the minister finally got, after some prodding, to the point at hand. How does the Howard government respond to Professor Hogan’s call on ‘the political leadership to secure flexibility in pricing and investment decisions along with safeguards for quality stan-
dards and access to care’? Rather than try to hide Professor Hogan’s comments, like the government did with his $7.2 million report into aged care publicly released late on budget night, what action will the government take after almost nine years in office to finally get aged care administration out of the bog of Soviet style red tape?

Senator Patterson—You always have to look at what Labor say because they will always selectively quote from anything in the newspaper. What the honourable senator has not done is to also quote Professor Hogan as calling on the minister to introduce accommodation bonds for high-care residents to allow for a growth in services to meet demand saying the matter needs urgent resolution.

I remember in 1997 when we put forward the concept of accommodation bonds—guess who failed to come on board? The Labor Party opposed it. Jenny Macklin ran around this country lying—or misrepresenting the situation—and telling older people they had to sell their homes. That was wrong. That was disgraceful. That was your record, and you need to get on, look at some policies and admit to the record that you had in aged care, which was appalling.

The President—I remind senators to ignore interjections and address their remarks through the chair.

Senator Chris Evans—Mr President, on a point of order: I am concerned that during Senator Patterson’s contribution, apart from the rambling nature, she called Ms Macklin a liar. I think you should be calling on her to withdraw that. It seems to me that the whole chamber was waiting for you to intervene. You intervened but you failed to make her address the issue that was of most concern.

The President—I am sorry, but because of the noise in the chamber I did not hear that accusation. If the minister did say that, I would ask her to withdraw.

Senator Patterson—I said she was misrepresenting the situation.

The President—I would remind all senators that those types of accusations are not in order. Senator Patterson, are you withdrawing that accusation?

Senator Patterson—I thought by actually correcting myself I had, but if they need me to withdraw it I withdraw it to say that she was lying going round telling people they had to sell their homes.

The President—I would ask you to withdraw that accusation.

Senator Patterson—I did, Mr President.

Senator Brown—Mr President, on a point of order: you asked the minister to withdraw the accusation. Having not heard the proper withdrawal, she said, ‘I did withdraw it.’ She has not. She should withdraw the accusation against a member of another place without qualification.

The President—There is no point of order. The minister did withdraw the accusation at my request.

Immigration: Rophin Morris

Senator Harradine (2.42 p.m.)—My question is to the Minister for Immigration and Multicultural and Indigenous Affairs and also deals with the subject of the 12-year-old boy named Rophin who has a mild form of autism. Minister, I normally do not seek or obtain any publicity about these matters, but I have, amongst a number of people in community areas, sought the minister during September to exercise her ministerial discretion about this matter and allow the boy to remain. I will not deal with that, but I ask the minister whether she is aware of the fact that medical professionals are providing care for the child free of charge and that the couple
have demonstrated by their work among young people at risk that they make positive contributions to our society. Could she take those factors into consideration but, most particularly, will the minister agree that to reject an application on the grounds of a person’s disability is not appropriate and that it could well be contrary to the commitment of the government to banish all forms of discrimination?

Senator Vanstone—I thank Senator Harradine for the question. A number of people, apart from those who have sought publicity in association with this matter, have written letters of support in relation to this family—in fact, there are over 200. I mention Senator Gary Humphries; the member for Eden-Monaro, Gary Nairn; Joanna Gash; Kevin Andrews; Annette Ellis; Bob McMullan; you, Senator Harradine; and the Queanbeyan mayor and 190 or so others.

I am always grateful that members of parliament take the time to put a view on particular cases. However, I do worry that on some occasions—not this one—members of parliament forward something for consideration without making it very clear whether they are simply doing it because of a constituent or whether they really think that a case stands out above all others, because members of parliament can be put in a difficult position in that respect. In all of these cases the reason that health is taken into account is that the government does have responsibility for deciding who comes here, and one of the factors taken into account is whether the family coming will bring any undue cost burden on the Australian community. So that is taken into account. But, as I indicated before, there are many occasions where we take the cost into account but on ministerial intervention the family is allowed to stay. Equally there are some occasions where the family is not allowed to stay. Each of these cases is considered on its merits. People who stay who are likely to require some sort of transplant are going to have a very significant cost. A wide range of factors are taken into account.

Senator Harradine, when this case arrives I will be able to see the full range of people who have supported this person, although that in itself is not a deciding factor because anyone can run around and get a whole lot of people to sign letters, and also I will be able to see the health costs that have been estimated for this family. I will consider the weight of health professionals doing something for free at the moment but they are not, of course, locked into doing that for the rest of someone’s life. When the case comes to me, Senator Harradine, I will give it good and fair consideration. If the answer is yes I will not expect any publicity for it, just as we have not sought publicity for the very many cases that get a yes after ministerial intervention, simply because I do not think families’ individual circumstances of strain and stress should be used in the media by either side.

Economy: Household and Personal Debt

Senator Lundy (2.47 p.m.)—My question is to Senator Minchin, the Minister for Finance and Administration. I draw the minister’s attention to the release of the latest Reserve Bank of Australia figures, which show Australians owe a massive $112 billion in personal debt, $608.5 billion in mortgages and $27.9 billion in credit and charge card debts. Can the minister confirm that these figures represent an increase of 15 per cent on last year’s figures? Minister, what does the government plan to do in order to control the ever-increasing levels of household debt in Australia? Is the release of these ever-increasing figures over the past fortnight enough to spring the government into action to pursue a solution to curbing this rise after more than four years of ignoring the growing debt crisis?
Senator MINCHIN—This really is *Groundhog Day*. I think this is the third or fourth time that the same question has been asked in the last three weeks. The Labor Party seems to fail to understand that when the economy is showing extraordinary strength, with low inflation, low interest rates and low unemployment, along with the low taxation environment we have produced, as well as jobs growth and productivity growth, Australians have the confidence to go out and borrow funds to purchase the houses and motor vehicles et cetera which are a reflection of the confidence that Australian consumers and Australian businesses have in probably the world’s best-performing economy. It is not surprising at all that Australians have the confidence to take out some debt in order to fund the purchases of products such as houses and cars et cetera, which are critical.

The worst thing that can occur, and this occurred under the Labor Party, is when consumer confidence plummets and Australians are not prepared to take risks at all on borrowing against their future incomes, and the economy grinds to halt. Those are results of the sorts of policies we have seen under the Labor Party. We should take some comfort from the fact that Australians have the confidence to take out some debt in order to fund the purchases of products which are critical.

Opposition senators interjecting—

Senator MINCHIN—The opposition do not want to hear the answers because they know that it is a function of the very good economic management this government has brought, and the fact that they have acknowledged their lousy record on economic management and that they cannot convince the Australian people that they should be allowed to have any control over the economy, that has kept them out of office. So Australians are expressing their confidence in our economic management by the level of borrowings they have undertaken and which they can adequately service, and the Reserve Bank board has acknowledged that.

Senator LUNDY—Mr President, I ask a supplementary question. The minister says that it is ‘not a cause for concern’. Doesn’t that just reinforce the hypocrisy of Treasurer Costello telling Australians to ‘give love not gifts this Christmas’, especially considering that his government spent $66 billion on gifts during a pre-election spending spree? When will the Howard government offer any useful assistance to Australians accumulating debt on their own accounts than let this lot loose on them.

Australians have the confidence to borrow those funds. The Labor Party continues to ignore the fact that all the evidence suggests that Australians’ capacity to service their debts is not a cause for concern. The Reserve Bank itself has made that point. Many other authorities and expert commentators have made the point that they are not concerned about the capacity of households to manage or service their debt levels and that those debt levels are backed by a substantial increase in the level of assets which back the borrowings that the households are making. So on the score of the productivity improvements, the low inflation, the low interest rates, the asset backing—

Opposition senators interjecting—

Senator MINCHIN—The opposition do not want to hear the answers because they know that it is a function of the very good economic management this government has brought, and the fact that they have acknowledged their lousy record on economic management and that they cannot convince the Australian people that they should be allowed to have any control over the economy, that has kept them out of office. So Australians are expressing their confidence in our economic management by the level of borrowings they have undertaken and which they can adequately service, and the Reserve Bank board has acknowledged that.
and ensure that, in particular, credit card providers are required to fully inform consumers about the impact their spending habits are likely to have on their family budgets?

Senator MINCHIN—How dare the Labor Party attack the government for the spending commitments which we made in the last election after this lot left us with a $96 billion debt, which we have struggled to pay off despite their opposition throughout the last eight years. Whenever we brought measures into this chamber to reduce the level of debt, they opposed them. They promised to spend a lot more money than we did—something like twice the level of spending which was proposed by the Labor Party in the last campaign. How dare they have the gall to attack us for our commitments in the election.

Environment: Kyoto Protocol

Senator EGGLESTON (2.52 p.m.)—My question is directed to the Minister for the Environment and Heritage, Senator Ian Campbell. Will the minister inform the Senate how the Howard government is meeting its greenhouse emission targets as set by the Kyoto protocol? Is the minister aware of any alternative policies?

Senator IAN CAMPBELL—I thank Senator Eggleston, a Liberal senator from the state of Western Australia, for the question. Western Australia has a very big stake in ensuring that Australia and the world gets climate change right, because rainfall in the south-west of our state has gone down by about 12 per cent in the last 25 years and is expected to go down further by about 15 per cent. It confirms that climate change is in fact a reality. The reality is that there are significant reductions in the size of the Antarctic icepack. There is significant climate change occurring around the world. There is no longer a question about whether climate change is affecting the world. The real questions are: what is causing it and what are the solutions? The jury is, it is fair to say, scientifically out on both of those big answers. Governments of the world need to work together to ensure that we address what I call the biggest threat to the environment.

Today is therefore a great day for Australia in its environmental history to report that, with the most accurate carbon accounting system in the world developed by the Australian government and its agencies, Australia is right on target to achieve its internationally negotiated Kyoto emissions target. The target was set at the Kyoto conference, at which Australia was represented by the then environment minister, Robert Hill. The target we set was 108 per cent of our 1990 emissions and we are on track to achieve that. We are only on track to achieve that because of very strong domestic policies that are focused on greenhouse gas emissions. We have a good partnership with the state governments in this regard. We have a good policy and a good partnership with local governments in this regard—something like 176 local councils have signed up to the national program, as have many Australian industries. This shows that, during the Kyoto target period, because of these domestic policies and actions, Australians working together will have reduced their carbon emissions or greenhouse gas emissions by around 94 million tonnes. For the uninitiated, that figure is equivalent to all of the emissions produced by every vehicle on every road in Australia: big trucks, small trucks, cars—everything, Senator Ian Macdonald. So it is a phenomenal achievement. It certainly is not a time to bask in self-congratulation. We are on track to achieve it. We are in fact one of the few nations in the world that will achieve our Kyoto target, and that is something to celebrate. However, the report does show that expansion of the economy puts the achieve-
ment of future targets and greenhouse gases at risk.

The good news is that we will in that time double the size of the Australian economy, from about a $500 billion economy to a $1,000 billion economy, and greenhouse emissions will go up about eight per cent. The scientific consensus is that we need to reduce greenhouse gases by 50 to 60 per cent, if we are to effect climate change, and the world is simply not achieving that at the moment. I will be travelling to the conference of the parties to the framework convention next week to work with other nations to ensure that beyond Kyoto we can achieve a far more robust, more comprehensive outcome and that by working together with industry, governments around the world, the large emitters, developed and developing countries, we take our part in this tough challenge. (Time expired)

Senator EGGLESTON—Mr President, I ask a supplementary question. Could the minister further elaborate on the risks inherent in Australia not meeting its greenhouse targets? Did Australia establish the world’s first greenhouse abatement office?

Senator IAN CAMPBELL—That is dead right: we did establish the first Australian Greenhouse Office. We also established the first mandatory renewable energy targets. We have brought in a series of programs, worth about $1.8 billion, to encourage development of technologies that can do that. Senator Eggleston asked me about alternative policies.

Senator Forshaw—He did not.

Senator IAN CAMPBELL—He did actually. In the weekend Canberra Times—which of course ever since I was territories minister I always read carefully—Rosslyn Beeby wrote an article which referred to the ‘apprentice’ environment opposition spokesman, Mr Albanese. It said:

Give us a break! It’s Labor that is blundering through a protracted political apprenticeship on environmental issues … If you look at their web site— (Time expired)

Telstra

Senator CONROY (2.59 p.m.)—My question is to Senator Coonan, the Minister for Communications, Information Technology and the Arts. Can the minister confirm that investors in the sale of T2 shares are still under water, with the stock trading at less than $5 compared with an issue price of $7.40? Can the minister also confirm that the sacked CEO of Telstra, Mr Switkowski, will take home a golden handshake of more than $2 million as well as incentive payments and entitlements? Minister, when the next CEO of Telstra is appointed will the government, as the majority shareholder, use the CLERP 9 reforms to vote against a payout for the new CEO if that payout exceeds 12-months salary or if appropriate and measurable performance hurdles are not included in this package?

Senator COONAN—I thank Senator Conroy for the same question which he asked me I think a day or so ago. The Senate was informed then and is informed now that, as we all know, Dr Switkowski has resigned and will leave the board of Telstra as of July next year—unless he steps down earlier if a replacement is found. Senator Conroy has asked, as he did last week, about Mr Switkowski’s remuneration. I would say yet again that the government does not seek to intervene in the remuneration decisions of companies. Instead, the government’s approach is to ensure that there is full disclosure by directors and that boards are accountable to their shareholders for remuneration decisions.

The Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Act 2004, or CLERP 9, referred to
by Senator Conroy in his question, significantly enhanced director and executive remuneration disclosures that are made in annual reports. Among the information that needs to be disclosed is post-employment benefits, including retirement benefits, contributions and other arrangements to benefit employees following cessation of employment. As everyone would be aware, as a result of its corporatisation by the previous Labor government Telstra is subject to these and all other corporate law requirements.

Senator Conroy suggested that this information should be revised. Senator Conroy should perhaps try to think of a new question. We all know that Senator Conroy is the least charismatic of the roosters. Instead of concentrating on his portfolio, Senator Conroy is out and about undermining his leader and contributing to the paralysis of the Labor Party. If the Labor Party want to be taken seriously on telecommunications or indeed on any policy area, they should get some more questions or a different shadow minister.

**Senator Conroy**—On a point of order, Mr President: I ask you to draw the minister to the question and to relevance because I asked whether the government would be voting in accordance with the new CLERP 9 proposition. Clearly, she has just picked up last week’s brief.

**The President**—I cannot direct the minister as to how to answer the question, but what I can say, Senator Conroy, is that you have been particularly disruptive during this question time, as have some of your colleagues around you. It is no wonder ministers do not answer questions if they cannot hear what is being said.

**Senator CONROY**—Mr President, I ask a supplementary question. Is the minister aware of reports today that one-third of Australia’s top CEOs will receive golden handshakes worth more than 12-months salary, as well as other bonuses, shares and options, and that these packages follow a litany of payments to failed CEOs over the past 12 months? Minister, is the $2 million golden handshake to Mr Switkowski justified in light of Telstra’s performance, or is it just another example of a sacked CEO being paid to go?

**Senator COONAN**—I may not have heard all of the points raised in the supplementary question but I can say that Senator Conroy should feel very grateful that his own performance does not depend on any kind of incentive and that he is not on a performance bonus because he would certainly not qualify.

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

**QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS**

**Environment: Program Funding**

**Senator IAN CAMPBELL** (Western Australia—Minister for the Environment and Heritage) (3.04 p.m.)—During question time today, I was asked questions by both Senator Wong and Senator Carr in relation to applications by the company Primary Energy Australia for grants under the Commonwealth grants programs. In relation to the Greenhouse Gas Abatement Program, my department, the Department of the Environment and Heritage, confirms that the company has not registered an interest in or submitted any applications for GGAP funding through any of the program’s three competitive funding rounds. Further, in relation to the Namoi Valley Structural Adjustment Package that Senator Carr asked about, the structural adjustment committee recommended that the proposal put forward by Primary Energy Australia be supported.
Further in support of my remarks, I have been given a copy of a letter from the Chairman of Primary Energy Australia, Mr Ian Kiernan AO—a very successful international round-the-world sailor as well as Chairman of Clean Up Australia—which he sent to the Australian Financial Review on 3 December. In that Mr Kiernan wishes to express his concerns in writing, with reference to articles by Lenore Taylor published in the Financial Review concerning his company and the Regional Partnerships grants process. In the letter, Mr Kiernan makes the point that the Namoi Valley project offers capital expenditure of $100 million, operational expenditure of $81 million, expansion of the local economic base by $170 million, catalyst and base-load customers for $120 million for the Central Ranges natural gas pipeline and generation of an additional $30 million per year in household income. Also, construction of the plant will generate a one-time boost of $218 million in final demand as each dollar spent circulates through the local economy and there will be $47 million in export income and $88 million dollar in domestic revenue. He supports my projects in relation to the creation of 40 permanent positions—I think I have stated 50, so we disagree by 10 jobs there. He talks about 500 construction positions and agrees with me that it will create 350 permanent regional positions. The letter continues:

Granting was sought by the Proponents in good faith and the appropriate application process was rigorous and lengthy. Preliminary work as referred to in your article—the article by the Financial Review—had been undertaken on this project some years earlier. The grant was awarded to enable the project to proceed to financial close in the Namoi Region.

The project is at its most sensitive and Commercial in Confidence stage as it progresses toward Financial Close. And to add; the project is currently being assessed under the Biofuels Capital Grants Scheme. It would indeed be a great shame if this progress and prospects for grant success were jeopardized through inaccurate, negligent and mischievous reporting.

Yours Sincerely
Ian Kiernan AO
Chairman
Primary Energy Pty. Ltd

I seek leave to incorporate that letter from Mr Kiernan and I would like to add that it supports the fact that this grubby exercise by Labor, based on—

The PRESIDENT—Minister, you can ask for leave to incorporate things, but you cannot debate the issue. You would know that. Are you seeking leave to incorporate that letter?

Senator IAN CAMPBELL—Yes.

The PRESIDENT—Is leave granted?

Senator Chris Evans—On behalf of the Labor opposition, I will support incorporation when I have been shown the courtesy of having been shown the letter, as is the normal process.

Senator IAN CAMPBELL—I read the letter.

Senator Chris Evans—You read parts of it selectively, Senator Campbell. If you had offered us a copy of the letter, we would have agreed to incorporate it. We will grant leave to incorporate the letter, provided we see it first.

Senator IAN CAMPBELL—I table the letter.

QUESTION TIME

The PRESIDENT (3.09 p.m.)—I wish to respond to a question asked last week. Because of the timing and the fact that so many senators have left the chamber, I will read my statement now and will circulate it to other senators who are not here. At question
time on 2 December 2004 I undertook to give further consideration to questions asked by Senator McLucas. The questions contained an element of legitimate inquiry about a matter of ministerial responsibility; namely, the manner in which Senator Sandy Macdonald represented the Minister for Ageing at the opening of the Grace Munro centre.

As with many questions in recent times, however, the senator proceeded to answer her own question with an assertion, in this case based on an assertion by someone else, and then to make allegations which contained reflections on Senator Sandy Macdonald which, if not unparliamentary, were certainly inappropriate in a question. Apart from the point that question time is meant to be a time for questions, senators’ questions would be far more effective and telling if they were not surrounded with statements, assertions, allegations, insinuations and other extraneous material. The habit of doing so simply invites ministers to set the question aside and respond to the statements and allegations. Senators cannot complain about ministers not being relevant to the question or not answering the question if they continue to ask questions in that manner. I therefore urge all senators to confine themselves to properly framed questions about matters of ministerial responsibility.

QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS
Health and Ageing: Aged Care
Family Services: Child Care

Senator McLucAS (Queensland) (3.11 p.m.)—I move:

That the Senate take note of the answers given by the Minister for Family and Community Services (Senator Patterson) to questions without notice asked by Senators Collins and McLucas today relating to child care and to residential aged care.

Today’s reporting of Professor Warren Hogan’s address to the Victorian Nursing Homes and Extended Care Association conference on the weekend should be seen by the government as another wake-up call in terms of the lack of response they have had to the Hogan review. Professor Hogan’s words expressed not only his frustration but also the frustration of most in the sector about the lack of a credible government response to the series of structural and financial problems in the residential aged care sector.

Professor Hogan is not known for his flamboyant language or in fact for his academic work on the history of Stalin—he is an economist, and a health economist at that. Mrs Bishop herself welcomed his report in quite glowing terms when it was handed down, interestingly, on budget night this year. One can only, therefore, speculate why Professor Hogan decided to use such seemingly inflammatory language. He told the conference in Melbourne that the system for administering nursing home beds ‘had its ideological basis in the central planning offices of Moscow in 1928’. Further he said that the May budget measures—according to Senator Patterson’s answer today—fell a long way short of the shift required to bring the Stalinist-style system into the 21st century world of market forces. It is clear to me and to many that Professor Hogan’s decision to use this sort of language is a reflection of his frustration and the frustration of the sector at the delays and the half approach to responding to not only the Hogan review but the broader planning and funding needs of both the residential and community care sectors.

Those who heard Senator Patterson’s response to the question I posed today would have noted with interest that she had to be reminded on two occasions by the Leader of the Opposition in the Senate of the substance
of the question and that with only about half a minute to go she started talking about Professor Hogan’s work and what the government’s response might be. It is also interesting to note that Senator Patterson took the opportunity in her answer—when she finally got to the substance of the question—to raise the issue of accommodation bonds for high-need residents of aged care facilities. She quite inappropriately accused Ms Macklin of acting inappropriately when she was the aged care opposition spokesperson. That is not correct, and I am glad that the record has been corrected in that respect. Residents, future residents and, importantly, the families of future residents will be interested to note that once again accommodation bonds for high-need residents seem to be the only policy response this government has to the needs—the viability needs and the sustainability needs—of the residential aged care sector.

People will remember that the whole process of the Hogan review has been long and protracted. In early 2002 the then minister, Mr Andrews, asked Professor Hogan, an economist, to review nursing home pricing. At the end of 2003 a response was expected. Professor Hogan requested an extension of time to complete his work. We were then told that the report would be ready in early 2004. The opposition and the sector were continually asking: ‘Where is the report? When can we get this information so that we can deal with it?’ Finally, the government snuck it out on the night of the budget. They said that they had responded to it in the budget. I do not know that that is a respectful way to treat the sector. They certainly do not feel that it was, and I am sure Professor Hogan is also concerned. (Time expired)

**Senator EGGLESTON** (Western Australia) (3.15 p.m.)—The question of aged care, if I were on the Labor benches, is one which I would not be very happy to speak about. The reality is that, under the last Labor government—the Hawke-Keating government—the aged people of Australia suffered very badly. Very little money was spent on aged care, and nursing homes were appalling. There were enormous problems with overcrowding and the standard of buildings. Health and safety standards, including those on fire hazards, were not met, and in general there was inadequate nutrition and care for the aged of Australia.

**Senator McLucas**—Eight and a half years you’ve been in charge.

**Senator EGGLESTON**—You can say that we have had 8½ years to do things, Senator McLucas, and I assure you we have. We have transformed the aged care sector in 8½ years and made its management something that Australians can be proud of.

If you go back to 1995–96, you will see that the Labor government spent just $3 billion on residential aged care. In 2004–05 the Howard government will provide $6.7 billion for aged care homes, which is an increase of 123 per cent. The increase in funding of 123 per cent compares very favourably with the growth in the over-70 population during the same period, which has been just 17.2 per cent.

Under the Howard government there are now more than 178,000 operational aged care units or places in Australia. The Australian government will increase the total number of aged care places—that is, residential and community packages—to 200,000 by June 2006. That means that the Australian government, the Howard government, is recognising that Australia’s population is ageing, that the ageing or greying of Australia is a reality and that the government has a re-
sponsibility to address the need for the care of the increasingly aged sector of our population. We cannot ignore it, as Labor would have done, and not recognise that the population is growing older. We have to recognise that the people of Australia who have become aged are people who have paid their taxes over the years. They deserve to be looked after in a dignified way in their older years.

One of the most important innovations which the Howard government introduced quite early in the piece was accreditation for aged care homes. We heard in the answers given to questions today that Bronwyn Bishop, during her time as minister, closed down nursing homes which were substandard—and quite rightly so. That was a very brave political decision for a minister to make; but, nevertheless, it was a correct decision to make. A system of accreditation of aged care facilities was put in place which assessed the quality of the buildings, the kitchen services, the general and the medical care, and the activities provided for the people in these homes.

I remember a while ago, when I was a general practitioner, visiting aged care homes in the southern corridor of Perth. I was quite appalled by the conditions I found. I think the status of the aged care sector in Australia at that time was something we all should have felt very ashamed of. But under the Howard government things have improved greatly. We have special programs to look after people with dementia. We are providing respite care for carers of aged people. In general, the overall quality and standard of aged care facilities in Australia is now very high by world standards and something which we as a nation can be very proud of. It should be acknowledged that this transformation has been at the hands of the Howard government. Due respect and congratulations should be given to the Howard government on its policies in the aged care sector.

**Senator Jacinta Collins** (Victoria) (3.20 p.m.)—I rise to take note of the answers provided by Senator Patterson in question time. I want to focus on the issue of child care and note its similarities to the discussion we have had so far on the aged care issue. It is timely sometimes to reflect on what has happened in the past and perhaps the more recent past than the Hawke–Keating government. In relation to the debate on aged care, for instance, I can reflect on the calls from the Labor opposition that there should be spot checks in aged care facilities and the resistance that this government put up to such measures. Noting that, it is interesting to reflect on Senator Patterson’s comments over the weekend that there would be a major crackdown to force standards on child care and that this would involve spot checks. If this were not such a diversion from some of the bigger problems in this sector, it would be good to see. Labor had also been calling for spot checks in relation to the national accreditation system, but there has been little action over the last eight years under the Howard government.

What also needs to be considered is what this government is doing with respect to many of the other major problems in child care. Focusing on a crackdown and on spot checks on the provision of quality child-care services, whilst an important part of the overall integrity of the national accreditation system, will not help families with young children to cope with the many problems they face in accessing child care.

The minister’s answer to this question today highlighted the government’s keenness to avoid one of the most significant components of the crisis in the provision of child-care services. There has been a huge restructuring of the child-care market in recent
years and it is having a significant effect in a number of areas that are hitting families hard. One of the biggest problem areas, of course, is the availability of child-care places. There are simply not enough long day care child-care places in the system.

It is one thing for the government during the last election to promote a 30 per cent tax rebate for families which would be available for out-of-pocket expenses, but if families cannot access the type of care they want, and if the government is restricting the type of care that that rebate will be available for, there are many families who will simply miss out. They will miss out unless this government does something significant to help generate the number of child-care places that are demanded by families seeking to engage within the community. This is what this government has refused to do for the last six years: the government has withdrawn from any significant measures—there are some small examples of activity—to help create child-care places which families can utilise. Instead, it is focusing on the private market and refusing to accept that there are some market imperfections that are having huge impacts on the delivery of children’s services.

The minister, in answer to my question, said: ‘Oh, wouldn’t you expect the Labor Party to be focusing on this sort of issue.’ Let me remind the minister that she herself, this last weekend, accepted that the government, the department itself—not the ACCC—is monitoring the impact of market dominance on the delivery of children’s services. If this is not an issue, as she claimed during question time today, why then is the government monitoring it? Why do you claim to be monitoring an issue if you do not accept that if you identify that it is a problem then you will do something about it? Perhaps what lies at the heart of it is not so much the impact on child care but the connections of those involved in the delivery of children’s services. I will leave that as an open question for people to ponder.

This government is prepared, time and time again, to shy away from significant market dominance behaviour in the delivery of children’s services, and that is a problem. I am disappointed because, when I read the minister’s comments over the weekend about focusing on issues in child care other than just the 30 per cent tax rebate, I thought, ‘Finally, this government is going to take some elements of the delivery of children’s services seriously.’ Unfortunately, that is obviously not the case. Having regard to Senator Patterson’s performance in question time today, it is quite clear that the government will not take this issue seriously. It will do nothing to ensure that we have a balanced market in the delivery of children’s services and it is still doing nothing to generate the required number of child-care places in long day care. I accept that there are other types of child care where the demand may be closer to being met but in long day care it is further away than many senators could even imagine. (Time expired)

Senator CHAPMAN (South Australia) (3.25 p.m.)—It ill behoves Senator McLucas to come in here today and raise this issue of aged care accommodation given the absolutely appalling record of the Labor Party when it was last in government, during the Hawke-Keating era. Compounding that is its absolute, current lack of policy on this issue.

A few moments ago Senator Eggleston, on behalf of the government, highlighted the initiatives taken by the Howard government to overcome the years of neglect of aged care accommodation that were evident under the Hawke-Keating Labor governments. As Senator Eggleston recalled, during the time that Bronwyn Bishop was minister she set up accreditation requirements to ensure that the
inadequate standards for aged care that had existed throughout the period of the previous Labor government were brought to account and were significantly improved. She introduced a number of initiatives, including a significant improvement in funding availability, to ensure that aged care accommodation improved.

The government subsequently commissioned Professor Hogan to review our aged care system. In the last budget, in May, the government responded positively regarding the short- and medium-term recommendations of the report presented by Professor Hogan as a consequence of his investigations. In fact, it has implemented 18 of the 20 recommendations arising from the Hogan review. It has also committed to consulting with the community and the aged care accommodation sector on the few remaining medium-term recommendations that were not implemented in the last budget, as well as the six long-term options.

That is the issue that the Labor Party is trying to raise today with regard to aged care accommodation. It is saying, ‘The government hasn’t implemented all of the Hogan review recommendations.’ In fact, the government is responding to those recommendations in a considered and logical manner. As I say, in the last budget it proceeded to implement the recommendations that were appropriate to be implemented immediately, and it is giving further consideration to the remaining recommendations—including, very importantly, community and industry sector consultation.

The government has been gradually introducing a series of reforms to ensure we have a world-class system of aged care. As I said, that goes right back to the days when Mrs Bishop was the responsible minister and introduced, for the first time ever, a system of accreditation with regard to aged care accommodation. The recommendations of the Hogan review and the government’s response represent a further step in the reform process which, as I said, was introduced in the May budget this year. Additional funding of $2.2 billion has been provided in the budget this year. That will translate into a $30 billion expenditure on this sector by 2008.

The government has established a ministerial implementation task force to oversee the implementation of the Hogan review’s recommendations. The government is certainly confident that the impact of these options on those needing care has been fully considered and it will decide what elements may be implemented in the longer term. As I said, consultation is a very important part of the process, particularly when dealing with aged people, in order to ensure that accommodation which is suitable for their needs is provided.

The government are actively planning for the ageing of our population. We are doing that not only through aged care accommodation but also through a number of other initiatives, including the issue of intergenerational transfers and the like. We want to ensure, particularly with regard to aged care accommodation, that we have quality, accessibility and a sustainable aged care system. Since 1996, when the Howard government came to office, we have provided $37 billion in aged care funding and, as I said a few moments ago, we will provide more than $30 billion over the next four years. We have introduced that quality accreditation system. We have allocated more than 68,000 places and given older Australians greater choice in the types of care which they are able to receive, including more community care places to allow older people to stay at home for as long as possible which, of course, many of them desire to do. All in all, this government’s record with regard to aged care poli-
cies generally and aged care accommodation particularly— *(Time expired)*

**Senator LUNDY** *(Australian Capital Territory)* *(3.30 p.m.)*—I too would like to speak to Senator Patterson’s answers to questions without notice. I will focus on child care, but I would just like to make a few comments with respect to aged care. How extraordinary it is that the Howard government attempt to rewrite history. They have been plagued with problems and poor handling of the aged care portfolio since 1996, and many of the responses that Senator Chapman and others have spoken about have come on the back of some of the worst controversies that we have ever witnessed with respect to aged care and the appalling standards that were allowed to develop under the Howard government. The globally embarrassing state of aged care in this country has forced this government to act. We have a lot to say about the nature of their activity, but let it not stand on the record that the Howard government have looked after aged care with any degree of proactivity or compassion. What activity has taken place has arisen from being forced into action by the appalling state of affairs.

I have to say that it is much the same for child care. We have a situation in Australia where in long day care the waiting lists are longer than ever. I remember when my first child was born in the early nineties there was an issue with waiting lists. The then Labor government worked extremely hard to try to create more places, with the focus on creating more subsidised places in child care. However, now that the waiting lists have come back, the Howard government have not bothered to pay any policy attention to the real issue of the number of places in long day care; they choose instead to put out frivolous arguments about the need to monitor the quality of all different types of child care around the country. That is always an issue, and it has been Labor in opposition that have argued for quality assurance in child care under the Howard government and the Howard government’s neglect.

I find it really offensive that this government is using the issue that Senator Patterson has raised, which has got a bit of media coverage, as a complete red herring in child care to deflect attention from the real issues of neglect in child care: the availability of places, the affordability of places and, indeed, the appalling state of affairs of the incapacity of child care professionals to earn a decent living. They are the three issues that Labor certainly focused on in our policy, not least because of our support of the wage case for child-care professionals but also because of our support for providing an increase in places. That is what parents want. That is what families want. They do not want to go to the local child-care centre and find that they will not be able to get their baby in until their baby is 2½ and in middle room, where there are greater ratios and availability of places. That is not the issue that the Howard government are paying any attention to.

The other thing that I find offensive about the answers given today by the minister in the chamber is that she shows no regard for the growing monopolisation of private child care in this country. It is true to say that there is a range of operators. There are private and public operators and, in a healthy market, that is a good thing. But when you have two of the largest private centre corporations, in this case, proposing to merge in the way that they are, you would expect the government to have a point of view. I would expect that a responsible government would at least express their concern about the possible implications of the merger. These centres are indeed extremely profitable. Because they are profitable, you would expect parents to pay more than they would otherwise be reasonably required to, particularly with the government providing the subsidy in the way...
that they are—an uncapped subsidy of taxpayers’ money to the very centres that are now making record profits. It is no wonder an economic opportunity is being extracted in the child-care market with the way the policies in child care are being run by the Howard government.

It is very disappointing to see the Howard government take such an aggressive attitude towards child care. In the meantime, it is Australian families and Australian parents that are continuing to struggle with the lack of attention to early childhood education, to the availability and affordability of long day care places and, in particular, as I said, to the disgraceful situation where child-care professionals are continuing to be underpaid for the immense amount of important work that they do. *(Time expired)*

Question agreed to.

**Immigration: Rophin Morris**

*Senator BARTLETT (Queensland—Leader of the Australian Democrats) (3.36 p.m.)—I move:*  

That the Senate take note of the answers given by the Minister for Immigration and Multicultural and Indigenous Affairs (Senator Vanstone) to questions without notice asked by Senators Greig and Harradine today relating to the application for permanent residency by the Morris family.  
The subject of the question—a young boy with autism whose family had had their application for permanent residency in Australia refused on the grounds of their son’s disability—gained some small degree of media coverage towards the end of last week. As I understand it, the grounds of the refusal have subsequently been a matter of request to the minister to use her ministerial intervention power under the Migration Act. Certainly the Democrats hope that that will be successful. But I think the minister’s answers were very illuminating as to what she was trying to hide.

We see constantly in this country a blatant demonstration that our migration system is exceptionally discriminatory. We have repeatedly had assertions from the government and the department over many years that we have a non-discriminatory migration system and that the laws apply equally to everybody. The trouble is that the way the law is structured is discriminatory. The simple fact of the minister’s answers showed that if you have a disability you are discriminated against on the grounds of that disability or, to use the minister’s much nicer sounding phrase, ‘health issues’. Because that family had a child with a disability their chances of migrating to Australia or becoming permanent residents are diminished. You cannot get a clearer example of something that happens continually, which is families being discriminated against on the grounds of disability—disability of the person or disability affecting their child.

This has only come to light through this individual case but I am aware, and I imagine that many other senators are aware, of a whole range of cases where families, some of them with lots of wealth, skills and a long history in Australia, have been refused permanent residency visas because of a child’s disability—in the minister’s own words ‘because there is an undue cost burden on the Australian community’. Could you ever get a clearer example of people with disabilities being assessed purely in terms of being a burden on the community—to use the minister’s own words, a ‘cost burden on the Australian community’?

The reason why the case of this young boy is so blatant in the discriminatory nature and the hypocrisy involved is that his photo was used in a calendar to celebrate and highlight the fact that people with disabilities contribute to the community; they are not a burden on the community. We are trying to turn around this attitude—that we see people with
disabilities as being a burden, as being a negative and that we ignore, forget about or undervalue the positive contribution that they make to the community. Yet what we have day after day—this is not just a one-off; it is just highlighted in this one case—in our immigration system is that that is exactly how people are assessed. Their disability, if they have one, is assessed as a burden on the Australian community. That is how they are considered.

It does not matter if the family have wealth and say they will cover all the costs. People would remember the tragic case of the man who was so despairing at his inability to reunite with his family that he set himself on fire at the front of Parliament House. That is what that was about: he had a family overseas, one of his children had a disability and his visa application for his family to join him—he was a refugee—was knocked back because of that child’s disability and the fact that it might mean an undue cost burden on the Australian community, despite the fact that they had repeatedly said they would cover the cost of all the health and medical treatment themselves. That is what our migration system does day after day with family after family. The minister’s answers were a nice way of trying to dodge that but the fact is that he highlighted that that is a reality. Anyone who calls our migration system non-discriminatory simply is not aware of the facts. (Time expired)

Question agreed to.

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

Anti-Vehicle Mines
To the Honourable the President and members of the Senate in Parliament assembled
The Petition of the undersigned shows:
That the undersigned note that like anti-personnel landmines, anti-vehicle mines are indiscriminate in who they effect, that they disproportionately kill and maim civilians, they delay relief efforts in war affected countries and they go on killing for decades after the conflict has ended. We note that Australia’s existing stock of anti-vehicle mines is obsolete and only used for training purposes, so now is the perfect time to commit to supporting a ban on these indiscriminate weapons. We welcome the Australian Government’s support for further restrictions on the use of anti-vehicle mines, but believe such measures to be inadequate to address the humanitarian problems caused by anti-vehicle mines.
Your Petitioners ask that the Senate should:
Legislate a ban on the production, transfer, importation and use of anti-vehicle mines in Australia and by Australians other than by the Australian Defence Forces for training in demining and avoiding the hazards of anti-vehicle mines; and
Pass a motion supporting the development of an international treaty that would ban the production, transfer, importation and use of anti-vehicle mines globally.

by Senator Payne (from 31 citizens).

Trade: Iraq
To the President of the Senate and Senators in the parliament assembled:
The undersigned petitioners respectfully request that the Senate recognises that the Howard Government’s decision to write off Iraqi debts to Australian wheat growers will impose a serious financial burden on a group that is already suffering the effects of a prolonged drought.
The petitioners therefore call upon the Senate to act to ensure that affected wheat growers are fully compensated.

by Senator Webber (from 190 citizens).

Petitions received.

NOTICES
Presentation
Senator Knowles to move on the next day of sitting:
That the Community Affairs Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on Thursday,
9 December 2004, from 10.30 am, to take evidence on a matter relating to the Department of Health and Ageing.

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

That the following matters be referred to the Legal and Constitutional References Committee for inquiry and report by 30 June 2005:

(a) the overall effectiveness and appropriateness of the Privacy Act 1988 as a means by which to protect the privacy of Australians, with particular reference to:
   (i) international comparisons,
   (ii) the capacity of the current legislative regime to respond to new and emerging technologies which have implications for privacy, including:
      (A) ‘Smart Card’ technology and the potential for this to be used to establish a national identification regime,
      (B) biometric imaging data,
      (c) genetic testing and the potential disclosure and discriminatory use of such information, and
      (D) microchips which can be implanted in human beings (for example, as recently authorised by the United States Food and Drug Administration), and
   (iii) any legislative changes that may help to provide more comprehensive protection or improve the current regime in any way;

(b) the effectiveness of the Privacy Amendment (Private Sector) Act 2000 in extending the privacy scheme to the private sector, and any changes which may enhance its effectiveness; and

(c) the resourcing of the Office of the Federal Privacy Commissioner and whether current levels of funding and the powers available to the Federal Privacy Commissioner enable her to properly fulfil her mandate.

Senator Greig to move on the next day of sitting:

That the Senate—

(a) recalls that on 2 December 2002 a proposed agreement between Australia and the United States of America (US), pursuant to which Australia would agree not to surrender US nationals to the International Criminal Court without the consent of the US (the proposed agreement) was referred to the Joint Standing Committee on Treaties for inquiry and report;

(b) notes correspondence from the secretary of the committee to the Clerk of the Senate, dated 16 July 2003, which:
   (i) stated that ‘as far as the Committee is aware, there is no such proposed agreement’ and that it had ‘therefore decided to defer commencing the inquiry into the matter referred until the text of such an agreement is made available to the Committee’, and
   (ii) however, acknowledged that ‘the Committee is empowered to inquire into any question relating to a treaty or other international agreement, whether or not negotiated to completion, referred to the Committee by either House’;

(c) further notes:
   (i) the report on ABC Radio’s PM program of 28 August 2002, that the US had written to the Australian Government, requesting it to enter into the proposed agreement and that, according to the Minister for Foreign Affairs, the Government was ‘sympathetic’ to the request,

(ii) the report on Network Nine’s Sunday program of 8 September 2002, in which the then Attorney-General indicated that the US had requested Australia to enter into the proposed agreement and that, according to the Minister for Foreign Affairs, the US had no objection to the proposed agreement, and

(iii) evidence from Department of Foreign Affairs and Trade officials on 19 February 2004 that negotiations with the US were ongoing and that, at that time,
the most recent meeting had been in December 2003; and
(d) recalls that on 30 August 2004, it again referred the proposed agreement to the committee for inquiry and report by 30 April 2005;
(e) notes that:
(i) the committee had not commenced the inquiry prior to the proroguing of the 40th Parliament, and
(ii) the reference lapsed with the proroguing of the 40th Parliament; and
(f) refers the proposed agreement, with particular reference to the following matters, to the Joint Standing Committee on Treaties for inquiry and report by 30 June 2005:
(i) whether the proposed agreement would breach the terms, or be otherwise inconsistent with the spirit, of the Rome Statute which Australia has ratified,
(ii) the effect of the proposed agreement, either itself or in conjunction with similar agreements between the United States and other states, on the ability of the International Criminal Court to effectively fulfil its intended function,
(iii) the implications of any extradition provisions in the proposed agreement and whether the proposed agreement would require the re-negotiation of existing extradition agreements to which Australia is a party, and
(iv) the implications of the proposed agreement with respect to Australia’s national interest.

Senator Hutchins to move on the next day of sitting:
That the following matters be referred to the Foreign Affairs, Defence and Trade References Committee for inquiry and report by 15 September 2005:
(a) Australia’s economic relationship with China, with particular reference to:
(i) economic developments in China over the past decade and their implications for Australia and the East Asian region,
(ii) recent trends in trade between Australia and China,
(iii) the Australia-China Trade and Economic Framework and possibility of a free trade agreement with China,
(iv) ongoing barriers and impediments to trade with China for Australian businesses,
(v) existing strengths of Australian business in China and the scope for improvement through assistance via Commonwealth agencies and Australian Government programs, and
(vi) opportunities for strengthening and deepening commercial links with China in key export sectors;
(b) Australia’s political relationship with China, with particular reference to:
(i) China’s emerging influence across East Asia and the South Pacific,
(ii) opportunities for strengthening the deepening political, social and cultural links between Australia and China, and
(iii) political, social and cultural considerations that could impede the development of strong and mutually beneficial relationships between Australia and China; and
(c) Australian responses to China’s emergence as a regional power, with particular reference to:
(i) China’s relationships in East Asia, including in particular the Korean Peninsula and Japan,
(ii) the strategic consequences of a China-ASEAN free trade agreement, and
(iii) China’s expanded activities across the South West Pacific.

Senator Payne to move on the next day of sitting:
That the time for the presentation of the report of the Legal and Constitutional Legislation Committee on the Disability Discrimination
Amendment (Education Standards) Bill 2004 be extended to 8 December 2004.

Senator Ludwig to move on the next day of sitting:

That the Senate—

(a) notes that on 7 December 2004 the Jewish festival of Hanukkah begins at sunset; and

(b) wishes a happy Hanukkah to the Australian Jewish community.

Senator Ludwig to move on the next day of sitting:

That the Senate—

(a) condemns Sydney Lord Mayor Clover Moore for inappropriately using multiculturalism as a shield for stripping back Christmas celebrations;

(b) notes:

(i) the damage that is done to multiculturalism by this kind of misguided action,

(ii) multiculturalism does not mean abandoning your own beliefs or culture out of deference to imagined offence to a different culture, and

(iii) that Christmas itself is multicultural, celebrated as it is across Europe, North and South America, parts of Asia, Africa, the Pacific and wherever Christians may be;

(c) embraces the spirit of Christmas and encourages the people of Australia, whatever their beliefs, to practise the Christmas message of peace and goodwill to all; and

(d) wishes a safe and merry Christmas to the people of Australia.

Senator Ludwig to move on the next day of sitting:

That the Senate—

(a) notes and affirms the recent action of officers from the Department of Immigration and Multicultural and Indigenous Affairs and the Australian Federal Police in raiding places suspected of manufacturing counterfeit passports;

(b) notes that the forgery of passports is a serious crime; and

(c) rejects claims from the Refugee Action Coalition that alleged manufacture of these passports was somehow justified;

(d) in particular, totally rejects claims by the Refugee Action Coalition that such actions have any similarity with those who broke the law to free Jews from Nazi Germany; and

(e) notes the hurt and damage that such absurd claims do to the cause of genuine refugee activists who abide by the law.

Senator Murray to move on the next day of sitting:

(1) That the matter of unfair dismissal be referred to the Employment, Workplace Relations and Education References Committee for inquiry and report by 14 June 2005, with the following terms of reference:

(a) to examine:

(i) the international experience concerning:

(A) unfair dismissal laws, and

(B) the relationship between unfair dismissal laws and employment growth in the small business sector,

(ii) the provisions of federal and state unfair dismissal laws and the extent to which they adversely impact on small businesses, including:

(A) the number of applications against small businesses in each year since 1 July 1995 under federal and state unfair dismissal laws, and

(B) the total number of businesses, small businesses and employees that are subject to federal and state unfair dismissal laws,

(iii) evidence cited by the Government that exempting small business from federal unfair dismissal laws will create 77 000 jobs in Australia (or any other figure previously cited),
(iv) the relationship, if any, between previous changes to Australian unfair dismissal laws and employment growth in Australia,

(v) the extent to which previously reported small business concerns with unfair dismissal laws related to survey questions which were misleading, incomplete or inaccurate,

(vi) the extent to which small businesses rate concerns with unfair dismissal laws against concerns on other matters that impact negatively on successfully managing a small business, and

(vii) the extent to which small businesses are provided with current, reliable and easily accessible information and advice on federal and state unfair dismissal laws; and

(b) to recommend policies, procedures and mechanisms that could be established to reduce the perceived negative impacts that unfair dismissal laws may have on employers, without adversely affecting the rights of employees.

(2) That the committee be authorised, with the approval of the President, to commission independent research, as desirable or necessary, to investigate each of these terms of reference.

Withdrawal

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (3.41 p.m.)—At the request of Senator Stott Despoja, I withdraw business of the Senate notice of motion No. 1, which will be replaced by a separate notice that will be put in.

COMMITTEES

Selection of Bills Committee

Report

Senator FERRIS (South Australia) (3.42 p.m.)—I present the 13th report for 2004 of the Standing Committee for the Selection of Bills. I move:

That the report be adopted.

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (3.42 p.m.)—I spoke on this briefly this morning so I will not go into it at length again. I simply want to draw attention to the fact that this Selection of Bills Committee report and what we are debating now, which is to adopt it, recommends sending off the Copyright Legislation Amendment Bill 2004 to a Senate committee for inquiry. I think that is good. I complained this morning that it was being rushed through. There are some technical matters that need proper examination. The concern I have is that it has a possible hearing date listed of 6 December, which is today, and a reporting date of 7 December. So for all of the people that are listed as possibly giving submissions or evidence—Internet service providers, copyright owners and users, the Attorney-General’s Department et cetera—it is a pretty tight time frame, to put it politely.

It may be that the committee could defer and the Senate Legal and Constitutional References and Legislation Committee could decide separately to give itself an extra day or two. The bottom line is that even if there is another day or two—I support it going to a committee, as any sort of examination separately from the chamber is obviously better than nothing—it is fairly farcical to refer a bill which, from memory, only saw the light of day in the whole world last week. For people to have absorbed an incredibly complex area—copyright law—particularly in the international arena and in areas like the Internet, and to provide information for us as a Senate to make an informed decision on that legislation via a committee, even one as talented as the Legal and Constitutional Affairs Committee, is fairly implausible. In some ways, having such a massively rushed referral of a matter brings the committee system into disrepute. After proper examination,
maybe we will look at the details and look at
the submissions from the experts and decide:
‘Okay, it is all right. It is not that big a
drama; it is just minor and technical amend-
ments, as the minister says’.

I would be more confident and comfort-
able if we had the opportunity to do those
examinations and hear from the experts after
proper consideration rather than this over-
night inquiry. Whilst this is a decision of the
committee and I am probably not likely to
succeed in amending the motion, I thought it
appropriate to speak to it and to highlight
precisely what is being proposed, which is
basically that we refer a matter overnight.
Doing that is really stretching the credibility
of our Senate committee processes past
breaking point. It is not a good precedent to
set, although it has probably happened be-
fore—so it is not a good precedent to fol-
low—and the inquiry is into an issue that I
think is sufficiently complex and sufficiently
technical to need greater examination than
the committee could possibly give it, even
with the best will in the world and the great-
est expertise in the world.

The key value of Senate committees in my
view and in my experience is that you get to
hear from people in the community who are
affected, such as some of those who are
listed in the committee’s report as possibly
giving submissions or evidence. I do not
think those people, even if they have been
lined up to give verbal evidence at a hearing
tonight—as may well be the case—can really
have had the opportunity to consider suffi-
ciently all of the ramifications. I may be
wrong there, but I think it is improbable that
it can be done as thoroughly as is necessary.

Senator FERRIS (South Australia) (3.46
p.m.)—I wish to make the simple point that
the Democrats were represented this morning
at the Selection of Bills Committee meeting
and that it was by agreement that tomorrow
was determined to be the reporting date. I
seek leave to have the report incorporated in
Hansard.

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE
REPORT NO. 13 OF 2004

1. The committee met on Monday, 6 December
2004.
2. The committee resolved to recommend that
the Copyright Legislation Amendment Bill
2004 be referred immediately to the Legal
and Constitutional Legislation Committee for
inquiry and report by 7 December 2004 (see
appendix 1 for statement of reasons for re-
feral).

(Deannie Ferris)
Chair
6 December 2004
Appendix 1
Proposal to refer a bill to a committee
Name of bill(s):
Copyright Legislation Amendment Bill 2004
Reasons for referral/principal issues for con-
sideration
To respond to concerns that the bill will enable
persons other than copyright owners or their li-
censees to force internet service providers to take
down allegedly infringing copyright material. Is
this consistent with Australia’s obligations under
the USFTA. Is it a requirement that applies to ISP
in the US—if not why is Australia introducing
such laws?
Possible submissions or evidence from:
Internet Service Providers, copyright owners,
copyright users, Attorney-Generals, Foreign Af-
fairs and Trade
Committee to which bill is referred:
Legal and Constitutional Legislation Committee
Possible hearing date: 6 December 2004
Possible reporting date(s): 7 December 2004
Question agreed to.
LEAVE OF ABSENCE

Senator FERRIS (South Australia) (3.47 p.m.)—by leave—I move:

That leave of absence be granted to Senator Ian Macdonald for the period 8 December 2004 to the end of the 2004 spring sittings, on account of parliamentary business overseas.

Question agreed to.

COMMITTEES

Legal and Constitutional Legislation Committee

Meeting

Senator FERRIS (South Australia) (3.47 p.m.)—by leave—At the request of the Chair of the Legal and Constitutional Legislation Committee, Senator Payne, I move:

That the Legal and Constitutional Legislation Committee be authorised to hold a public meeting during the sitting of the Senate today, from 7 pm to 9 pm, to take evidence for the committee’s inquiry into the Copyright Legislation Amendment Bill 2004.

Question agreed to.

Employment, Workplace Relations and Education References Committee

Reference

Senator CROSSIN (Northern Territory) (3.48 p.m.)—I move:

That the following matter be referred to the Employment, Workplace Relations and Education References Committee for inquiry and report by 12 May 2005:

The implications for the Government’s proposed changes to the funding arrangements for targeted assistance in Indigenous education.

Question agreed to.

ENVIRONMENT: MURRAY RIVER

Senator BROWN (Tasmania) (3.48 p.m.)—I move:

That the Senate—

(a) notes that:

(i) the Murray River is in crisis and urgently needs water to prevent irreversible loss of red gums, waterbirds and wetlands, and

(ii) disagreement between the Commonwealth and state governments has stymied implementation of their November 2003 commitment to return 500 gigalitres of water to the Murray River within 5 years;

(b) urges the Commonwealth and state governments to act immediately to break the impasse; and

(c) requests the Government to report to the Senate, on or before 8 December 2004, on when water will actually be returned to the Murray River.

Question agreed to.

DELEGATION REPORTS

Parliamentary Delegation to the European Institutions and France

The DEPUTY PRESIDENT (3.49 p.m.)—On behalf of the President, I present the report of the official Australian parliamentary delegation visit to the European Institutions and France, which took place in April and May 2004.

Senator MURRAY (Western Australia) (3.49 p.m.)—by leave—The official Australian Parliamentary Delegation to the European Institutions and France was one of which I was privileged to be a member. The delegation visited the European Union countries of Belgium, Luxembourg, the Netherlands and France. I want to commence my brief remarks by thanking the secretariat, who did an outstanding job of administering, coordinating and supervising the effectiveness of that visit. I want to particularly acknowledge the good humour and good graces of the President. I grew very close to my companions on that delegation, as you do on these visits, and learnt a lot about them. It generated a great deal of fraternal respect
and affection. The visit was enormously beneficial to me.

I want to make my remarks in two distinct frames. The first is to reflect on the extremely beneficial impact on a senator who has in Australia’s consideration of legislation issues to be cognisant of the importance of our relations with those giant economies and the societies that constitute Europe. I am not going to remark in any detail on the institutions we visited because they are covered in the report, but the variety and the place that is given in Europe to a diverse expression of institutions that address matters of democracy or justice or that represent the state is a reminder to us all that in diversity is often strength—in diversity is the ability of large and diverse societies to reflect and respond to extremely complex situations. Another aspect that impacts on a senator is the parliamentarians who meet and the environments in which they live and work, which induces understandings that we do not otherwise achieve.

What has the most impact of all is the recognition that Australia’s place and reputation in Europe is a very large one. It is large by virtue of our peoples; it is large by virtue of our history and the things we have achieved as a nation; and it is large because of the tremendous regard that Europeans have for the sacrifices and efforts of Australians in the two world wars and in trying to assist in reconstructing the peace thereafter. Within my eight years I have not been on that many delegations, but I can say without doubt that this one had the most impact on me. It was the most useful for me and it really helped put in my mind where I and we sit with respect to the great role and great responsibilities that any parliamentarian does carry in the broader scheme of things.

The second frame I really wanted to draw attention to was something that struck me as being immensely important. It is that the Europeans, through their harsh and very difficult history, through the tremendous conflicts and bloodshed that marks their modern history—and by ‘modern’ I do not just mean the last couple of hundred years; I guess I mean since the time of the barbarians—have gained an understanding that, unless parliamentarians talk to each other, unless you continue to negotiate, to discuss issues and to sit down on things that otherwise would seem to be intractable, you are faced with the ugly, awful alternative that conflict will be used as a means to resolve difficulties.

Consequently, to an efficiency minded and somewhat rationalist people, the range and variety of institutions that are dedicated just to parliamentarians meeting each other is quite astonishing to an Australian’s eyes. The European parliamentarians cross-fertilise in ways that we do not even consider in Australia. We do not even meet as parliamentarians. I know that individual political parties might have interaction, but we do not even meet with our own state and territory parliaments in the intense, reflective and very interactive way that the European parliamentarians do. In this country we tend to leave the interaction as one between executives or between bureaucrats. In Europe the interaction is between the parliaments of Europe and the parliamentarians. That understanding of the distinction between the relationships that are vital to preserving unity and to preserving peace in Europe I think most of all rests on the proposition that the parliamentarians make an effort and put themselves out to attend many common forums where parliamentarians from other countries are present to discuss issues. That is why the countries of Europe can end up with a fairly uniform view on major issues such as human rights and environmental rights. In our little country we squabble and quarrel in ways that mean issues can never be resolved, because
it is a contest between executives. In that huge continent, with those hundreds of millions of people, they are able to make huge advances because the parliamentarians talk to each other and sit down to work through those issues.

The other thing I want to briefly remark on was that I was struck by the regard that is had for the life and the work of parliamentarians. The attitude of the community, the media and the general public to parliamentarians is one of respect for the very considerable role they have. I was a little surprised—but on reflection, not—to discover that when the parliamentarians of some of those countries are coming out to Australia one of the major briefings they get is to expect an aggressive media that has no respect whatsoever for the role and duties of a parliamentarian. That is a reflection on our society. We have as capable and as qualified parliamentarians and media as they have, but the relationship and the sense of the importance of the democratic and representative function is quite different. In thinking briefly about what I would say in my remarks, my eye was drawn to a press release today from the Roy Morgan organisation, which has just conducted a poll. It says that newspaper journalists are regarded as having 'high or very high standards of ethics and honesty' by 12 per cent of the public in this country, and federal members of parliament by 20 per cent. I am disturbed that we are only at 20 per cent, but I note that the European parliamentarians think much worse of our media than they do of us.

Question agreed to.

AVIATION: PASSENGER TICKET LEVY

Return to Order

Senator ELLISON (Western Australia—Minister for Justice and Customs) (4.00 p.m.)—On behalf of the Minister for Employment and Workplace Relations, I table documents pursuant to the Senate order made on 2 December 2004 relating to the Air Passenger Ticket Levy (Collection) Act 2001.

COMMITTEES

References Committees

Reports

Senator GEORGE CAMPBELL (New South Wales) (4.00 p.m.)—On behalf of the respective chairs of the Foreign Affairs, Defence and Trade References Committee and the Legal and Constitutional References Committee, I present reports on matters referred to the committees during the previous parliament. I seek leave to move a motion in relation to the reports.

Leave granted.

Senator GEORGE CAMPBELL—I move:

That the reports be adopted.

Question agreed to.

Community Affairs References Committee

Documents

Senator GEORGE CAMPBELL (New South Wales) (4.00 p.m.)—On behalf of the Community Affairs References Committee, I present correspondence and additional information authorised for publication by the committee on its inquiry into hepatitis C and the blood supply in Australia.

Foreign Affairs, Defence and Trade Committee: Joint Meeting

Senator FERRIS (South Australia) (4.01 p.m.)—by leave—On behalf of the Chair of the Joint Standing Committee on Foreign Affairs, Defence and Trade, I move:

That the Joint Standing Committee on Foreign Affairs, Defence and Trade be authorised to hold private meetings otherwise than in accordance
with standing order 33(1) during the sittings of the Senate.
Question agreed to.

Membership

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

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (4.02 p.m.)—by leave—I move:

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

Australian Crime Commission—Joint Statutory Committee—
Discharged—Senator McGauran
Appointed—Senator Santoro

Finance and Public Administration References Committee—
Appointed—Participating members: Senators Boswell and Sandy Macdonald

Legal and Constitutional Legislation and Committee—
Appointed—
Substitute member: Senator Brandis to replace Senator Payne for the committee’s inquiry into the Copyright Legislation Amendment Bill 2004
Participating members: Senators Conroy and Ridgeway

Legal and Constitutional References Committee—
Appointed—Participating member: Senator Conroy.

Question agreed to.

INDIGENOUS EDUCATION (TARGETED ASSISTANCE) AMENDMENT BILL 2004

First Reading
Bill received from the House of Representatives.

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (4.03 p.m.)—I move:

That this bill may proceed without formalities and be now read a first time.
Question agreed to.
Bill read a first time.

Second Reading
Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (4.03 p.m.)—I move:

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

The speech read as follows—

INDIGENOUS EDUCATION (TARGETED ASSISTANCE) AMENDMENT BILL 2004

This Bill was introduced in the last Parliament but lapsed when Parliament was prorogued for the elections. The Bill amends the Indigenous Education (Targeted Assistance) Act 2000 (the Act) to maintain and enhance the Australian Government’s effort in improving education outcomes for Indigenous Australians over the 2005 to 2008 funding quadrennium.

Accelerating Indigenous educational outcomes is a key element in the Australian Government’s 10-point national agenda for schooling. Closing the education divide between Indigenous and non-Indigenous Australians remains one of this Government’s highest education priorities. The National Aboriginal and Torres Strait Islander Education Policy, endorsed by all Australian governments and reflected in the objects of the Act, guides programme initiatives across Australia in continuing efforts to achieve equity between Indigenous and non-Indigenous Australians.

The Australian Government’s approach is to redirect resources to programmes that have demonstrably improved outcomes, to provide greater weighting of resources towards Indigenous students of greatest disadvantage—those in remote...
areas—and to improve mainstream service provision for Indigenous students.

The Bill will enable agreements to be made with education providers and others over the 2005-2008 programme years for the making of payments to advance the objects of the Act. It will provide funding appropriations to support payments under the Indigenous Education Strategic Initiatives Programme (IESIP) and, importantly, for the first time, will also provide the funding appropriations to support payments under the Indigenous Education Direct Assistance Programme (IEDA). Funding appropriations for IEDA are currently via Appropriation Bill No. 1.

Bringing IEDA under the Act will provide certainty of funding for this programme for a four year period, facilitate improved programme management, and align the programme with academic calendar years. This will provide and ensure consistency of accountability arrangements and their scrutiny across the Australian Government’s Indigenous education supplementary funding programmes.

The IEDA programme has been significantly reshaped for 2005-2008 following a review of the programme in 2003 which included consultations across the country. The reshaped programme will consist of two elements: better targeted tuition assistance for Indigenous students through the Indigenous Tutorial Assistance Scheme; and the introduction of a Whole of School Intervention Strategy. The changes to IEDA will: ensure that Indigenous students can access high quality tutorial assistance at key stages of their education; focus resources on initiatives that have demonstrably improved outcomes; more heavily weight resources toward the most disadvantaged students—those in remote areas; and encourage education providers and Indigenous communities to work together to accelerate outcomes for Indigenous students.

Payments of per-capita supplementary recurrent assistance to education and training providers will continue under IESIP with only minor modifications. There will also be funding available under IESIP to support existing and new national initiatives and significant projects, with an emphasis on Indigenous students in remote areas. Initiatives will be directed towards promoting systemic changes and developing flexible whole-of-government approaches to education delivery. The National Indigenous English Literacy and Numeracy Strategy will continue and, following its evaluation in 2003, will be reshaped by strengthening the application of “what works”, particularly around: the practices of teachers and their support staff; preparing young people for formal schooling; and helping re-engage and retain more Indigenous students to Year 12 or its vocational education and training equivalent.

A new flagship project will be the Scaffolding approach to teaching literacy. This is a structured approach to teaching that has proven to be especially effective with Indigenous students in remote areas. The Australian Government will partner with education providers to embed the Scaffolding literacy approach into teaching practices. A range of other new initiatives and ongoing initiatives that have delivered genuine improvements will also be supported under IESIP.

The Bill also appropriates funding for two new Government initiatives. Additional funding has been provided to identify and develop future Indigenous leaders under the Indigenous Youth Leadership Programme. The programme will focus mainly on remote communities and will be supported by an Indigenous Elders Advisory Group, which will ensure the cultural integrity of the programme and design an appropriate mentoring strategy involving other Indigenous Australians.

Additionally, extra funding is provided for a new Indigenous Youth Mobility Programme. The programme will assist young Indigenous people who, with the support of their communities, chose to relocate to capital cities or major provincial centres to take up employment and training opportunities targeting apprenticeships and other occupations such as nursing, accountancy, business management and teaching.

Through this Bill the Government is significantly strengthening the financial and educational accountability arrangements under the Act. In particular the Bill provides that, to be eligible to receive funding, parties to agreements must make a commitment to the objects of the Act and a commitment to achieve the performance targets specified in the agreements. A significant measure
introduced by the Bill, which addresses a concern of the Commonwealth Grants Commission about the quality of data available for its Report on Indigenous Funding 2001, is that funding recipients may be required to report performance data for different geographical locations. If, on the evidence of performance reports submitted, a funding recipient is underperforming, there will be capacity for the Australian Government to direct the party to take specified action, and to report on the action taken.

Payments under the Act are to supplement, rather than substitute for, the other forms of funding available to advance the education of all Australian students, including Indigenous students. Funding under the Act is therefore intended to accelerate closure of the education divide between Indigenous and non-Indigenous Australians. Consistent with this objective, the Australian Government is implementing measures to ensure that there is an appropriate level of funding and effort dedicated to Indigenous students by education providers from both own-source funds and from Australian Government mainstream funding.

The Bill includes a requirement that agreements must include a condition that the other party report on how it has advanced, and intends to advance, the objects of the Act from funds other than Australian Government mainstream and Indigenous-specific funds. Additionally, under authority of the Learning Together Achievement Through Choice and Opportunity Bill 2004, government and non-government school systems will be required to report annually to the Australian Government on how mainstream school funding provided by the Australian Government is being spent on improving Indigenous student outcomes. This will include a requirement to report on the goals for Indigenous education, progress in achieving those goals, barriers faced, strategies for overcoming those barriers, and initiatives funded.

These measures reflect the Australian Government’s commitment to accelerate progress in improving Indigenous education and training outcomes. They represent a significant step to improve mainstream service provision for Indigenous students, and to better focus Indigenous-specific resources to the most disadvantaged Indigenous students. I commend the Bill to the Senate.

Debate (on motion by Senator George Campbell) adjourned.

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

VOCATIONAL EDUCATION AND TRAINING FUNDING AMENDMENT BILL 2004

Second Reading

Debate resumed.

Senator NETTLE (New South Wales) (4.04 p.m.)—It makes me quite sad to speak to the Vocational Education and Training Funding Amendment Bill 2004. It is a bit of legislation I would probably describe as pathetic, because it represents the failure of the government to achieve an agreement with the states to provide adequate—not generous, but adequate—funds for the provision of vocational education and training in this country. It represents a failure of the government to address the critical skills shortage that has been building for the past decade or more, and it represents a failure of the government to capitalise on the fabulous opportunities that our TAFE system offers. It does this by further undermining the funding that TAFE desperately needs to educate working class Australians, people from a non-English-speaking background and mature age students wanting a second chance at education, to name just a few of the groups that utilise our fantastic TAFE system. This bill delivers a small portion of the much needed funds to keep courses running and teachers employed at TAFE colleges around this country, and this is the only reason that the Greens will support the bill—but we do so grudgingly because the funds provided in this bill are entirely inadequate. The Greens have always been loud and vocal advocates
of increased funding for TAFE, and we will outline our support for TAFE again today.

The context in which this bill comes before the Senate is important to understand. There is a political context, an ideological context and a socioeconomic context. Politically, this bill comes in the aftermath of an election in which vocational education and training got more attention than it has in the previous three years of neglect by the government, but unfortunately the publicity was not good. The frenzy of poorly conceived public policy and pork-barrelling that has come to characterise recent elections included the government’s new initiative to introduce secondary technical colleges. This proposal came after the establishment of the Institute for Trade Skill Excellence and was followed by the abolition of the means by which state and federal cooperation is brokered with regard to vocational education and training—that is, the Australian National Training Authority, ANTA.

The technical college proposal has been roundly criticised, and rightly so. Firstly, we might very well ask, ‘What is it?’ There has been so little information coming from the government as to how this proposal would work. All we know is that there is to be about $290 million spent over four years establishing technical colleges for teaching year 11 and year 12 students trade skills along with current curricula, and that they are to be run autonomously by the principals of the institutions and to be free of state government or union involvement. It sounds to me like John Howard is seeking to create his very own system of private TAFEs. That is the sort of approach to a problem that you would expect from a greedy kid in the schoolyard who cannot get their own way—they create their own system—rather than the sort of approach that we would expect from a Prime Minister who is entrusted with making decisions for the country’s future educational needs.

As to where these new institutions will be—whether they will be on new sites or replace existing institutions—all this is unknown. Nor is it clear whether the funding will replace any proposed funding for vocational education and training in secondary schools. Another question is: where will these colleges fall constitutionally? All educational institutions currently fall under state jurisdiction. There is no capacity for the Commonwealth to establish educational institutions under the Constitution except perhaps using the corporations power. So how will it be done? We do not know.

The Australian Education Union has estimated that these colleges will cost taxpayers almost 10 times as much per student as it would cost to deliver the same service through existing publicly funded TAFE colleges. Pat Forward from the Australian Education Union pointed out, shortly after details of the technical colleges were released, that:

According to the Government’s own figures, the 24 colleges would provide training for 7,200 students at a total cost of $147m in their first full year of operation. This works out at a cost per student of $20,444.

By contrast, figures from the National Centre for Vocational Education Research financial data establish a total average cost per student in TAFE of $2,235—and this cost includes capital.

Perhaps most importantly there are questions of quality and of need. Will these colleges provide the quality of education currently on offer in the TAFE system and will they provide the much needed boost to vocational education and training to address the burgeoning skills crisis? The issue of quality is under a cloud when we do not know what body will ensure that the qualifications issued by these private colleges are of any
level of quality. We do not know this because quality control for vocational education and training is a matter for the states, and it appears that the Commonwealth is going out of its way to sidestep the need to enter into collaborative arrangements with the states regarding vocational education and training funding and provision.

The Greens also note the intention to exclude unions from industrial and professional representation in these colleges and from the new advisory body—the Institute for Trade Skill Excellence. This is a worrying sign that points to a lack of standards and a poor focus on teaching excellence. The Institute for Trade Skill Excellence is the second pillar of the political context in which this bill is set. Quietly announced earlier this year, its purpose was not fully understood until the abolition of ANTA was foreshadowed a month or so ago.

It now appears that the Institute for Trade Skill Excellence may be intended to replace much of the work of ANTA and in doing so replace input provided by unions, state governments and employers to the Commonwealth with a sole employer providing advice to the government in regard to the operations of these private institutions. That is because the Institute for Trade Skill Excellence has as its major shareholders the Australian Chamber of Commerce and Industry, the Australian Industry Group, the Business Council of Australia and the National Farmers Federation. There is no representation from unions, there is no representation on behalf of teaching staff, there is no representation from state governments and there is no representation from either parents or students of these institutions. This new institute will see industry being asked to provide endorsement of qualifications that are provided through public and private training providers. It will identify preferred providers, it will establish an industry reference group and conduct marketing type tasks to promote trade skills and distribute certificates for graduating apprentices.

This has all the hallmarks of a government, having failed to get agreement on its negotiations with the states through the ANTA process, taking the opportunity to quit the system altogether—being the greedy boy not getting his way in the playground. In reality, the government is attempting to establish its own foothold in the vocational education and training sector to encourage future growth to occur under a federal umbrella endorsing privately provided training sanctioned by industry. This, surely, is why ANTA has been abolished. The government has failed to get agreement with the states regarding the Commonwealth’s share of vocational education and training funding, because the Howard government has always cut or underfunded its share. In the recent negotiations it again refused to stump up adequate growth funds. It also wanted to use its financial muscle to impose antunion requirements and user-choice provisions. As a result, the agreement was never made, so the government is happily pursuing its own model—eagerly endorsed by the employers—of privately provided and privately endorsed training packages.

To anyone familiar with the Howard government’s record in education policy, this looks eerily familiar. Just as in the schools sector and in higher education, the Howard government has come in, has slashed public funding and strangled public institutions. It has created a crisis in the delivery of services and has then turned to students to deliver more funding to the sector by addressing demand through increased private provision—provision which has been encouraged by government subsidies to private providers and more access to the so-called education marketplace. In the meantime unions are attacked, the working conditions of teaching
staff are threatened, and students, parents and families are asked to pay more for education of an inferior quality.

This is the ideological context in which this bill is set. The Howard government clearly believes that the best people to provide and manage vocational education and training in Australia are representatives of industry. If not, why would it create a replacement for ANTA that is made up of the Chamber of Commerce and Industry, the Business Council, the Australian Industry Group and the National Farmers Federation? But the sad fact is that this approach simply does not and will not work. Firstly, the role of ACCI must be seen as compromised because they have as vocal members of their organisation private vocational education and training providers who have a profit based interest in the direction of government policy which has nothing whatsoever to do with addressing skills shortages or long-term skills planning, let alone any higher ideals about the benefits of well-rounded public education provision in the country.

Secondly, industry involvement in the Howard government’s vocational education and training policies to date has not addressed the skills shortage that we see today. Most of the growth in the New Apprenticeships scheme over the last few years has happened in areas where there are no skills shortages. It has been reported that over 20 per cent of new apprentices do not get proper training. I understand that half of all new apprentices leave their apprenticeships early because they feel exploited as cheap labour rather than having any opportunity to gain genuine training and apprentice experiences.

The Australian Industry Group has said that the number of traditional apprenticeships has been fairly stagnant since the Howard government came to office. That is eight years of neglect in addressing the burgeoning skills shortage that we are seeing at the moment. We find ourselves in 2004 with a shortage of around 20,000 skilled workers in areas including carpentry, construction, manufacturing and mining. There is, for example, a major crisis in the number of bricklayers in Australia.

This skills shortage is an appalling state of affairs. But what makes it so appalling is that the means to address the problem are so obvious: fund our marvellous and publicly funded TAFE system. TAFE is an amazing resource which is the envy of many comparable countries. They are numerous, they contain well-trained staff and they offer comprehensive learning environments and courses which are affordable and accessible. But TAFEs are currently struggling because the federal government has consistently refused to back the system with the generous funding that it needs and deserves; generous funding which, when you compare it to the secondary and tertiary education sectors, results in TAFE being the poor cousin. The amount of money needed to be put into the TAFE system is not large in comparison to the amount of money needed in our public secondary and higher education sectors.

The Greens have been campaigning for years at both state and federal levels in support of the interests of TAFE students and teachers. We do this because we recognise the vital role TAFE plays in delivering training and education to millions of Australians, often Australians with very limited resources, and it provides these opportunities in an accessible, affordable and equitable way. If the government shared the Greens’ support of these millions of TAFE beneficiaries then it could have done what we and others have been calling for for years and made the necessary investment to allow TAFE to grow to meet the demands that exist in our community for the services provided by TAFE.
The Greens went to the last election with some costed commitments in the area of TAFE. We are committed to reversing the destruction of TAFE by such things as automatic, indexed for inflation increases in federal funding of TAFE by at least $32 million for each one per cent of growth in demand. This would make sure that every qualified Australian who wanted to improve their skills would have access to an appropriate TAFE course. It would cost little more than $1 billion over 2004 to 2006. We also support a ‘save TAFE’ restoration package of $600 million spread over three years to redress damage to staffing levels, casualisation and the rundown of equipment; $200 million per annum to remove all student fees for educational services; and ending the funding of private providers that directly compete with our publicly funded TAFE system. This package would cost at least $2.8 billion in new money for TAFE over three years. As I said, it is a small amount of money by comparison with the investment that is needed in the secondary and tertiary education sectors.

But this government actually does not want to save our TAFEs. It is happy to let them dwindle. This is obvious from the Howard government’s appalling track record of hostility to TAFE, which includes a 15 per cent cut in real terms in federal funding of TAFE and a refusal to fund growth in student numbers, resulting in an unmet demand of 50,000 students. That is 50,000 Australians who are qualified and wanting to attend TAFE but cannot because of a shortage of places.

From 1995 to 2002, a 77 per cent growth in the funding of private providers that compete with TAFE has occurred under this government. Private providers now teach about 15 per cent in real terms in federal funding of TAFE and a refusal to fund growth in student numbers, resulting in an unmet demand of 50,000 students. That is 50,000 Australians who are qualified and wanting to attend TAFE but cannot because of a shortage of places.

This can only be bad news for our skills base and bad news for equity in education. This bill is a tragically wasted opportunity to turn this history of neglect around. It is a wasted opportunity to finally do something meaningful to address the chronic skills shortage unfolding in Australia today. The Greens condemn the government for this manifest failure to protect the interests of job seekers and industry. We call on the minister to recognise the value of the great TAFE system that we have, and to come back to this chamber with some alternative legislation that backs TAFE colleges and TAFE staff and enables them to meet the burgeoning need for training and education that the public TAFE system can and should be empowered to deliver.

Senator CROSSIN (Northern Territory) (4.22 p.m.)—I rise to make my contribution
in the second reading debate on the Vocational Education and Training Funding Amendment Bill 2004. The purpose of this bill is to amend the Vocational Education and Training Funding Act 1992 to reduce the appropriated funding to be provided to the states and territories, following the failure of this government to reach agreement with them earlier this year in the signing of the Australian National Training Authority agreement. This government has repeatedly failed over the years to provide adequate growth funding through ANTA. It fails to recognise the unmet demand, and therefore no growth funds are being provided or have been provided for many years.

This government continued its mean penny-pinching ways in reducing real funding for a field of education and training that has been growing fast. Of course, it tried to push the responsibility for our national skills shortage onto the states and territories. Now it has gone further and announced the abolition of ANTA—something that was not mentioned at all during the election campaign but which was announced minutes after this government again claimed victory. It was decided during the election campaign launch, where the Prime Minister announced a record amount of billions of dollars to be spent to get the government re-elected, that they would spend $289 million on building 24 new private technology colleges. Geoff Maslen, in an article he did for the Campus Review in May this year, said:

The Federal budget failed to provide money for additional places to meet the needs of the estimated 50,000 Australians who were unable to enrol in TAFE courses this year ...

The government claimed that the package being offered for the 2004-06 ANTA agreement would deliver 71,000 new places over the three years. The states and territories believed this to be a gross overestimate, their figure being only 18,000. They naturally defended their case and sought more growth funding, based on past trends and expectations of high levels of enrolment growth. Unfortunately—and this is so often the case with the government—the government decided that after so many years in power they knew best and failed to consult with the states and territories. The government believe they do not need to listen or consult. They made appropriations for the 2004 year in anticipation of their offer being accepted, but we now know that the states and territories held out. They stuck to their guns, with the result that there has been no new agreement and this bill before us offering a reduced fallback funding.

The deal was initially rejected by the states and territories in December 2003. The Minister for Education, Science and Training then rolled over the existing agreement for a further 12 months but withdrew the indexation of growth funding and maintained all other funding at the 2003 level. The minister then went on further to demonstrate his annoyance by taking millions of dollars away and putting it out to private providers—10,000 new places in priority areas such as for older workers and people with a disability. However, when successful tenders were announced in May 2004, the number of new places had dropped to only 7,500 places, at a cost of $20.5 million.

This government is desperate and grasping at straws and has gone further by committing $289 million for private technology colleges. The government sees this as a genuine response to the national skills shortage which its policies over eight years have created. I will return to this point later in my speech. Reaching agreement on growth remains a key problem for this government. Estimates on growth vary. In January, in a Campus Review article entitled ‘States reject ANTA offer’, it was estimated that unmet VET demand would be 57,000 places. Fig-
ures I have obtained from the ABS suggest that there was a shortage of around 43,000 places in 2003. These figures give an indication of the situation in the recent past, but we have a skills shortage and a need for many more places right now and into the future.

The new private technology colleges will not even start for two years, and they are hardly the answer for here and now. As was stated by the shadow minister in the debate on last year’s VET funding amendment bill, this government has not provided one extra cent of funding in six out of the nine years it has been negotiating ANTA agreements—and now it has suddenly turned around and discovered that it has a skills shortage on its hands and a crisis in industries in this country. The Australian Education Union says that over the past seven years cumulative budget cuts have reduced spending in TAFE by $240 million. Is it any wonder then that TAFE is critically short of funds and that so many young people are missing out on places? The truth is that this country has youth unemployment running at around 20 per cent, not the 7.5 or so per cent the government tries to have us believe. We have a national skills shortage, but we have had that for some years under this government.

The Senate Employment, Workplace Relations and Education References Committee conducted an inquiry into this very matter only a year or so ago. There are anywhere between 40,000 and 50,000 young people unable to get TAFE places, yet we have an education minister who will not reasonably negotiate but who picks up his bat and ball and goes home when the states and territories try to argue for a better deal for young people in this country and try to address the skills shortages.

The Dusseldorp Skills Forum report How Young People are Faring 2004 reveals that a disturbing number of young people are being left behind, facing insecure employment and reduced earnings over the long term. More than 25 per cent of the 2002 school leavers experienced a troubled transition six months after leaving school. We in Labor are again saying that we do not like the situation, but we will not refuse this funding bill as there has to be some funding guaranteed. However, we condemn the government for failing again this year, as they have over the last eight years, to adequately fund an important area of the education sector to reflect real increases, to meet skills shortages, to guarantee young Australians a secure future and to assist older workers to upgrade or retrain.

As was pointed out by my colleague Dr Emerson in the House of Representatives, this government has been unable to accept that there is a skills shortage. It has seen the main problem as being one of industrial relations, where the solution is just to remove all workers rights and to allow wages and conditions to be eroded. It believes this will create jobs. The tragedy for the nation is that the jobs are already there. It is not that there are not enough trained and skilled people to fill them and it is not as if we have not been talking about a skills shortage in this country for years. I remember standing in this place arguing that this government needed to have a long-term strategy to address skills shortages the day it was announced that the Darwin to Alice Springs railway was to be built and still nothing had been done in the Territory to address that.

I want to digress for a minute. When I speak to small business in the Territory, the No. 1 issue it always raises with me is the skills shortages matter, not the industrial relations matter. Sometimes the issue is tax and the complicated BAS system they are working to, but nine times out of 10, repeatedly for the last 6½ years, small business in the Territory has put a case to me that there is a chronic skills shortage in the Northern Terri-
tory. The second biggest thing it says to me is that young people are not attracted to picking up a skill or a trade and that what the government needs to do is to spend some money on an advertising campaign to make training and having a trade skill attractive to young people, encouraging them to pick up a skill or a trade.

Dr Emerson went on to point out that even the ACCI—which surely must be closer to the government than the trade unions are in this country—was telling the government that skills shortages are the main problem confronting business. So you are hearing it nationally and I am hearing it locally. Similar advice comes from the Australian Industry Group and the Business Council of Australia, both one would believe notable and well-informed organisations in the field of Australian industry and business and both at the coalface of trying to fill jobs with skilled and ready workers but unable to do so in anywhere near sufficient numbers.

The government have kept to the same old recording to the states and territories for years, saying to them, ‘You have GST revenue that is growing; you have to take on more responsibility for education or for health,’ which is hardly a demonstration of national leadership and hardly what one would hope for from the highest-taxing government ever in the history of this country.

Let me go back to Dr Emerson’s speech where he refers to this government’s action in attempting to further strip awards and remove skills based career paths as an allowable matter. He said that this government does not even believe that employers should have any obligation to support staff training. There is a little bit of confusion there at the moment: maybe Minister Hardgrave does and Minister Nelson does not. So why should we think it might attach real importance to training nationally? Perhaps working towards a policy of private technical colleges offering $100,000 trade qualifications, as it has moved to do in the higher education sector.

So at a time of acknowledged and well-documented skills shortages, the Howard government not only has severely limited funding for VET—limiting growth of places, ducking and weaving on its national responsibilities and pushing its training agenda onto the states and territories—but also has removed any responsibility for employers to support training. How can it possibly believe this is the way to continue Australian growth, prosperity and international competitiveness? Every year over 10 per cent of Australians over 15 years of age study in the VET system. In 2002 there were 1.3 million people in the public TAFE system, which provides entry level VET for young people and also further opportunities for older workers and a second chance education for the economically disadvantaged. It is therefore a wide-reaching sector, important not only to us as a nation but to individuals too within that nation. It is perhaps especially important in my own electorate of the Northern Territory where large numbers of people access TAFE, especially disadvantaged Indigenous students for whom university is less of an option but for whom VET represents a real chance of training for employment.

The minister may well boast that under this government the number of people on traineeships and apprenticeships has doubled. Maybe that is true at the entry level, but how many of those entrants are completing their trade qualifications? That is a different figure. The truth is that many of the traineeships are short-term fixes, and most of this growth has been in certificate level training in retail and fast food, not in the traditional trades areas in which we are now facing severe shortages—trades such as building, panel beating and metal fabrication. This
government has not had a strategy to examine skills shortages and respond accordingly. It still does not have a strategy. It wants to plug the gaps with 24 technical colleges. It has allowed the quick fix where statistics look nice—double the number of trainees and apprentices—but the final outcome does not fit the national demand for skills. It fits government political expediency but not national strategy. The results are now clear, and business is facing a massive skills shortage.

This latest idea of 24 private technical colleges is not an appropriate national strategy either. These colleges will barely make a dent in the skills shortage. They do not start until 2006 and will not be fully operational until 2008, and by then tens of thousands more young Australians will have missed out on places. Furthermore, these colleges are to provide high-quality tuition for students in years 11 and 12, according to the minister’s press release of 12 November, so many potential TAFE students will be excluded. The colleges may well provide tuition to more than 7,000 students but, to return to the figures from the ABS quoted earlier of around 43,000 places short in TAFE, these new colleges are nothing short of a gimmick and are not a serious attempt to reduce the shortage of places or skilled tradespeople.

Let us take the practicalities that exist in Darwin, which is supposed to be a place where one college will be located. If they are looking at getting at least 300 students into that technical college from the pool of year 11 and 12 students in the Darwin and Palmerston area, it has to be recognised that there are only about 1,000 or 1,200 year 11 and 12 students in that area at this stage. One has to wonder where they are going to find those 300 students. Obviously they will come out of the existing high schools that are already set up and that have well-established VET in Schools courses.

Before these colleges get anywhere near to being operational, Australian businesses will have spent many more fruitless and costly hours trying to recruit skilled workers who just are not there. Australian business cannot wait years for action from the Howard government. If the government were to put that $289 million into existing TAFE facilities and programs, we could see action right now and the shortage could be reduced far quicker than waiting until new colleges are built and operating. These new colleges are simply a wasteful duplication of facilities, which the nation’s young people cannot afford. They will simply add another layer to the education system—another layer to the bureaucracy—and take funds away from the well-established state schools and TAFE institutions.

I am well aware that this bill is not about the establishment of the 24 colleges; it is about funds going to the vocational education and training sector of our education system. It is about the fact that this government is not providing enough growth funds in the vocational education and training sector. What it does mean is that the $289 million that has been set aside for the technical colleges is, as I said, a wasteful duplication of resources and facilities. In Darwin we have the Charles Darwin University, which has a massive amount of equipment and resources sitting waiting to be used by potential VET students. We have VET in Schools courses operating at Casuarina Senior College, Darwin High School and, particularly, Taminmin and Palmerston high schools. I believe we need a strategy that actually encourages these schools to work cooperatively with Charles Darwin University and to share the resources that we have got rather than simply setting up another building—another lot of bricks and mortar—which I do not think people believe is the answer to this problem. Building another building will not close the
gap in skills shortages. What we need is better use of the current resources and a long-term strategy to attract people into the trades area and to ensure that these places come on board now, not in 2006 and 2008.

I know that Senator Allison mentioned comments by Pat Forward, the AEU federal TAFE secretary, who said on behalf of her members of the current proposal to set up the technical colleges:

This is a ham-fisted attempt to bypass the public TAFE system. It arises from the government’s inability to establish positive and productive relationships with the Labor State governments, particularly in the area of vocational education and training.

This government has failed to realise that there needs to be growth funding in this industry. This government has failed to work cooperatively with state and territory governments to address the skill shortages and to properly give due recognition to the needs of and the resources required by the public TAFE system. The Labor Party believe that this bill is a great disappointment for our nation but, as I said, we will not be opposing it. Some money flowing into the VET system is better than no money and there must be some funding for 2005. I particularly condemn the government for its failure to adequately fund the vocational education and training sector repeatedly over many years to guarantee our young people a secure future, to meet skills shortages and to assist older workers to upgrade or retrain.

I noticed that Senator Carr this morning made comments about the technical colleges, the abysmal waste of money that this will lead to, the lack of recognition from this government that this money needs to be put into creating places right now and a promise that we will pursue this in estimates at every change we possibly get. We will be raising this as an issue every year for the next three years. The government just discovered during the election campaign that it had a skills shortage on its hands. I do not know why it has taken the government this long to realise that. Certainly the committee that Senator George Campbell and I have been working on had raised this as an issue in an inquiry over 12 months ago. Businesses have been raising this as an issue with me for the last 6½ years. This government’s answer is not to put $289 million into places here and now but simply to establish more capital works, more buildings, to create a privatised TAFE sector, to bypass the states and territories and to make sure that it is only available for year 11 and 12 students when there is currently a very good system in place—the VET in Schools system—which is working but which is severely underfunded. This is not the answer to the skills shortage in this country. (Time expired)

Senator HARRADINE (Tasmania) (4.42 p.m.)—The Senate is debating the Vocational Education and Training Funding Amendment Bill 2004. I want to deal with the implications of the bill for Tasmanians. The legislation before us appropriates funds for state and territory TAFE systems. Despite Tasmania having had a strong economy in recent years, unemployment in my home state is still above the Australian average and there is a significant problem with long-term unemployment. Tasmanians also suffer the lowest average weekly earnings of all states and territories. One way to improve these factors—employment, income levels and levels of economic development—is to increase the average level of education of Tasmanians by making university and TAFE places more accessible.

Late last year I was involved, along with Senator Shayne Murphy, in negotiating with the federal government extra university places for Tasmanians because we were not getting our fair share. I pointed out that Tasmania received less than its fair share of stu-
dent places per head of population. As a result, the University of Tasmania will be awarded over 1,600 new student places by 2008. These negotiations resulted in more than $200 million in benefits for Tasmania. Despite a tendency by some people to see vocational education and training as the poor cousin of university education, we should not discount its importance. TAFE education provides different skills to those provided by universities, but it is just as valuable as university education and in some respects is more so. Vocational education and training provides very valuable skills and training to students, who become the backbone of our economy.

There are almost 14,000 vocational education and training students in Tasmania. We know from statistics that vocational education and training is a very important step to employment. I will quote some of the statistics. Seventy-two per cent of Tasmanian TAFE graduates are employed after their training. Seventeen per cent of TAFE graduates who were not employed before their training were employed afterwards. So we know that this training is very important for employment. In fact, Tasmanian TAFE training gives the biggest boost in employment of its students of all states and territories except for Queensland.

The TAFE sector in Tasmania is undergoing significant growth. The latest figures we have show that the total number of hours of delivery of TAFE education increased between 2002 and 2003 by over 11 per cent. That is the biggest growth of any state or territory and double the growth of the next highest growth state—Queensland. The Australian average growth was just three per cent. There is a lot of other good news in the Tasmanian TAFE sector: per hour costs of delivering training have fallen by more than 20 per cent since 1999; participation is growing faster than the national average, which means that Tasmanian participation levels are catching up to the overall national average; the Tasmanian state government increased its dollar allocation to TAFE by 15 per cent between 1999-2000 and 2003-04; and 84 per cent of employers were very or moderately satisfied with TAFE graduates' skills.

But, despite this good news, there has been an impasse in negotiations between state and territory governments and the Commonwealth over future funding of the state TAFE system. In fact, the last two Australian National Training Authority agreements on funding have not been signed off. Commonwealth funding offers in negotiations on the latest ANTA agreement have not recognised the forecast growth levels or unmet demand in Tasmania. And Commonwealth funding is important—it makes up about a third of public funds spent on the national vocational education and training system. The Tasmanian Chamber of Commerce and Industry and the Commonwealth Bank produced a survey of business expectations for the March quarter this year which identified the availability of suitably qualified employees as one of the top three constraints on Tasmanian businesses. We need more skilled graduates to help the expansion of the Tasmanian economy. But, despite the importance of training to the state, the Commonwealth has insisted on linking industrial relations provisions—the construction code—to the funding, creating a barrier to resolving the negotiations.

The Commonwealth government has recently announced a number of Australian technical colleges, one of which will be based in northern Tasmania. I understand the initiative will provide training in a number of trades to 300 students in their last two years of school, but this will not address the funding problems in the state TAFE system and will only focus on the particular courses it
will offer in one part of Tasmania. Whatever
the arguments for and against the Australian
technical colleges, they are only a small add-
on to a much larger system of state and terri-
tory run TAFE colleges. We cannot afford to
ignore the funding needs of the overwhelm-
ing number of students.

One of the effects of this impasse in nego-
tiations has been a seven per cent increase in
TAFE fees from 2005 for Tasmanian stu-
dents. I do not pretend to know all the ins
and outs of the negotiations between state
and territory governments and the Com-
monwealth over funding for vocational edu-
cation and training, but I do know that link-
ing unrelated industrial relations require-
ments to funding will obviously make it im-
possible for state and territory Labor gov-
ernments to come to agreement with the
Commonwealth. And I do know that, by not
granting adequate funding to state vocational
education and training systems, the main
people who suffer are the students. They do
not deserve to bear that burden.

Senator GEORGE CAMPBELL (New
South Wales) (4.51 p.m.)—On the surface,
the Vocational Education and Training Fund-
ing Amendment Bill 2004 is a routine piece
of legislation. This bill amends the Vocati-
onal Education and Training Funding Act to
reduce the appropriated limit of total funds
for vocational education and training to the
Australian National Training Authority, for
distribution to the states and territories for
2004, from $1.136 billion to $1.131 billion,
to reflect the outcome of the ANTA negotia-
tions. It will also appropriate funds for voca-
tional education and training, to be provided
for distribution to the states and territories
for the year 2005, up to a limit of $1.154
billion. But in reality this bill is much more
than a mechanism used to provide federal
funds to the states and territories for voca-
tional education and training; it is an annual
reminder of this government’s terminal fail-
ure to properly fund vocational education
and training in Australia. More importantly,
it is a constant reminder of the failure of this
government to understand the importance of
the role played by TAFE in our vocational
training system in this country.

We have noted the decision by the gov-
ernment to establish 24 technical colleges
which will be run by the private sector. One
has to assume that this is the beginning of the
transfer by this government of the training
agenda out of the hands of the public sector
or the state systems and into the hands of the
private sector. I wonder to what extent the
private sector will fulfil the role that TAFE
plays in the community in terms of both our
training infrastructure and dealing with some
of the other peripheral issues that surround
that. I had the privilege of visiting the South-
West TAFE in Sydney, about a month or so
before the election, to see at first hand the
training being provided to our boilermakers,
welders, sheet metal workers and plumbers
and those in a range of other trades that were
being serviced by that TAFE. I also had the
privilege of watching the teachers in that
TAFE system spend time and energy on deal-
ing with young disadvantaged workers—
young people who had not completed year
10. They were giving up their time to train
them in the basic skills that would enable
those kids to get a place in the TAFE system
and, more importantly, get a place in the ap-
prenticeship system so that they would be
given hope into the future. I also watched
teachers at Miller TAFE spending time with
young kids who had severe learning difficul-
ties, teaching them no more than how to read
a train timetable so that those kids could get
to work on time. I wonder to what extent the
private training providers—the new technical
colleges—will put time and energy into try-
ing to assist those sorts of kids to get through
our system, to work their way through our
system, and get a place in the trade areas where there are skills shortages.

Over their nine years in power, the Howard government have run vocational training into the ground, in the process denying a generation of young Australians a chance to embark upon worthwhile careers and nurturing a skills crisis that threatens to stunt economic growth both now and in the years to come. While Labor will not stand in the way of this bill being passed, we will not let the government’s disappointing attitude towards vocational education go unchallenged. Every year that this bill has been introduced into the chamber has been a demonstration, again and again, of the short-sighted nature of the government’s approach over the past nine years as to the way it has funded the VET system. It is a constant reminder as to why we are suffering a major crisis in terms of the skilled work force of this country at this point in time. The funding to VET has been reduced cumulatively, I think, by over $200 million. We have seen something like 50,000 young Australians, including 15,000 school leavers, miss out on TAFE every year. With a youth unemployment rate that is stuck at around 19.7 per cent, we can hardly afford this situation to continue.

But it is not just a question of whether or not young people are able to get into good paying job opportunities for the future. This approach by this government over the past nine years has had and will have a severe impact on our economy. There is currently on the drawing board in this country $25 billion to $30 billion of major project work from the North-West of Western Australia right across to Gladstone in North Queensland. There is no question that those projects will suffer from skills shortages. They will not, because the salaries that will be available to the skilled workers on those projects will be at a level sufficient to attract labour from all around the country. But the impact on our economy when those projects start to suck labour out of our general engineering sector in the metropolitan areas will be that much of our general engineering and metal-working sector, which underpins our economy on a day-to-day basis, will be struggling to survive as a result of those labour shortages. Many of those businesses will collapse as a consequence of that, resulting in the fact that when people come off those projects they will join the unemployment queues. More importantly, the damage done to the economy in the interim will take a very substantial period of time to repair. Thanks to this government’s short-sightedness we are facing that sort of a skills crisis in this country now and, in the short to medium term, very significant difficulty in even coming close to overcoming it.

There is evidence in abundance as to what is happening in that area. We know, for example, that over the next five years something like 170,000 tradespeople will leave the traditional trades. We also know that only around 40,000 people will enter them. According to the Department of Employment and Workplace Relations skilled vacancy index, vacancies for skilled tradespersons have increased by a staggering 54 per cent over the last three years. In the manufacturing sector alone, there are currently between 18,000 and 21,000 unfilled vacancies for tradespeople. Skills shortages are now regularly listed as one of the top constraints, if not the top constraint, on investment by Australian businesses—and that is not just large Australian businesses; that is small and medium Australian enterprises, the same enterprises we hear this government talk about daily and dearly.

We heard the Minister representing the Minister for Employment and Workplace Relations in this chamber during question time go on about the fact that if only we could get rid of the unfair dismissal laws, if
only we would pass the legislation, we would create 77,000 new jobs in the small business sector. What the small business sector is crying out for is not 77,000 new jobs; it is crying out for skilled workers who are available to go and work in their industries to meet the shortages that they have currently and are not able to meet out of the current labour force, the skilled workers they do not have the capacity or the resources to train in order to meet their skills needs. AiG, for example, say that over half the businesses they regularly survey face skills shortages. In regional areas the situation is even worse. In New South Wales alone, for example, 60 per cent of regional businesses face skills shortages.

Quite frankly, the government’s response to this situation has been farcical. First, we had the National Skills Shortages Strategy. Unfortunately, the most impressive thing about this so-called strategy was its title. I think the only thing it ever offered was a web site. It certainly offered no new funding to meet skills shortages. It had a web site and a grab bag of pilot programs and policy reviews. In fact, the initiative was so poorly received the government were sent scrambling back to the drawing board. And what have they come up with to supplement this flawed policy? We have seen the announcement during the election campaign of the technical colleges. I am not suggesting that these technical colleges will not add to our overall capacity to meet Australia’s crippling skills crisis. Of course they will make a contribution in one form, but will they solve the problem? Of course they will not. There is no way in the world that 24 technical colleges, taking in people, I think, from years 11 and 12, will solve the crisis that we currently face across all of our industries in the quest for skilled labour at this present point in time, and they certainly will not serve them into the future.

The causes of the skills crisis that we face are complex, and there are no easy answers to fixing them. Last year, for example, I chaired a Senate committee which was dedicated to investigating the skills crisis. Our report tackled the complexity of the issue and gave over 50 separate recommendations covering areas as diverse as the collation of labour data and identifying current and future skill needs, improving VET in schools, developing pathways between VET and higher education, the role of industry and many other areas. But, despite the fact that the government has had this report for nearly a year, it continues to try to offer what it sees as simplistic answers like the one of technical colleges announced during the election campaign. While they may make great headlines in the context of a federal election campaign, they will not, as I said, solve the skills crisis that we are confronted with. The crisis needs to be dealt with today—not in 2006 and certainly not in 2008, when hopefully these colleges will be operating at their optimum level.

In fact, the government is spending something like $289 million on an initiative that is simply going to duplicate what we currently have in place when the money could be used much more effectively to build on the current system in order to deliver quicker results to our industry. For example, there are a number of skill centres around this country that could substantially maximise the contribution they are making to our skills shortage situation with a lot fewer resources than the government has planned to throw into these technical colleges. Some of those examples are Austool, in Ingleburn, and a construction industry training centre which is in the current minister’s own electorate—and I suspect he has not visited it yet, let alone knows that it even exists. That centre has the capacity to deal with about 3,000 building industry apprentices every year. It is funded by a levy
on the industry and works hand and fist with
the local TAFE college to provide the train-
ing resources to train those apprentices, as
well as training for subcontractors and inde-
pendent contractors in the construction in-
dustry on how to run their businesses. That is
an example that could have been followed in
order to put something in place that could
have delivered quickly the sorts of skills
training outcomes required to meet the crisis
that currently exists within our skilled labour
force.

There are other examples, such as the
Hunter Valley training facility, the Australian
aviation centre in Brisbane and the
Bosch/RMIT program in Victoria. With re-
gard to TAFE, two technical colleges will be
established in Bairnsdale and Warrnambool
in Victoria, both of which have long-
established TAFE institutes and group train-
ing companies. The millions that the gov-
ernment plans to spend on this handful of
technical colleges would be better spent on
providing new TAFE places for the close to
50,000 young Australians who are currently
missing out.

What is more, this is an initiative with an
exceedingly narrow scope. It attempts to ad-
dress the skills crisis in isolation without
consideration of a host of other important
issues. For example, while this initiative is
aimed at developing technical skills in new
workers, it completely ignores the fact that
employers also want their employees to have
good interpersonal skills and high levels of
literacy and numeracy. It also ignores the
fact that thousands of workers in industry
today with limited training could be cross-
skilled or could shift their skills base to meet
shortages in particular areas that they are not
in at the moment. They will not be able to be
catered for by these new technical colleges.
Again, one comes back to the question I ini-
tially asked: why is the government so dead
set on bypassing the TAFE system in order to
meet this issue of skills shortages? The only
conclusion that you can come to is that this is
the start of the process by this government to
shift vocational training infrastructure out of
the public sector into the private sector and
to hand over total responsibility for provid-
ing training for our skilled labour force, at
whatever level that may be, to industry and
the private sector.

The recent abolition of ANTA provides a
stark example of the government’s ‘my way
or the highway’ attitude towards the states
and VET. The government summarily abol-
ished ANTA without consulting state gov-
ernments. In fact, even the federal depart-
ment of education was not consulted. ANTA
staff only learnt of their fate on the day of the
announcement. Whilst ANTA was by no
means perfect, it played an important role
and gave equal voices to government, educa-
tional institutions, industries and unions. One
of the important roles that ANTA played was
keeping a national focus on the training
agenda—keeping a national focus on the
standards that were being provided for vari-
ous skills within our society and ensuring the
portability and interchangeability of those
skills and their capacity to move flexibly
across a labour market. What body will now
play that role in ensuring that there is a stan-
dard set of skills that exist within our society
that is flexible and capable of meeting shifts
in the labour market as the labour market’s
demands change with movements in our
economy? There is no body currently in
place that has the capacity to do that. The
reality is that this is a bill that was delayed. It
is a bill that is necessary in one context for
ensuring ongoing funding to the TAFE sys-
tem, but it is a bill, in my view, that is start-
ing to shift the provision of vocational edu-
cation and training from the public sector
slowly into the hands of the private sector
and the direct responsibility of industry.
Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (5.11 p.m.)—in reply—The Vocational Education and Training Funding Amendment Bill 2004 will provide a total of $1.15 billion as the Australian government’s contribution to the states and territories for vocational education and training for the 2005 calendar year. Vocational education and training underpins Australia’s ability to compete in an increasingly global market and it is vital to ensure our continued economic growth.

It is interesting to note, given the contribution of other speakers here today, that the Australian government’s contribution to the states and territories has grown from $777.9 million under Labor to $1.13 billion under the coalition government in 2004—an increase of 45 per cent. In real terms, the Australian government has increased funding for training by 23 per cent since 1995. By contrast, in 2004-05, most of the states and territories cut their training budgets—New South Wales by 2.4 per cent in real terms, Western Australia by 2.1 per cent and the Northern Territory by 5.2 per cent. Last year, the states and territories rejected the Australian government’s offer for the proposed 2004-06 ANTA agreement of $3.6 billion—a 12.5 per cent increase on the 2001-03 agreement. If accepted, this offer would have created up to 71,000 new training places. These would have been in addition to the extra 15,750 places for aged care training announced in the 2004-05 federal budget.

We have also announced new measures in our election commitments to a total value of $1.06 billion over four years. This is one of the most significant boosts to vocational education and training ever taken by any government. During the debate in the House on the VET funding bill, the opposition raised the need to address unmet demand to study at TAFE. The latest ABS figures released last Thursday, 2 December, show that there has been yet another decrease in unmet demand. This means that more and more students applying for a place in a TAFE or other vocational education course are being successful. In 1995, an estimated 89,300 individuals applied for but were unable to gain a place to study in a VET course. Of these, 69,400 were seeking access to a TAFE place. In 1999, the level was 71,100 for all VET and 53,900 for TAFE. In 2003 the level had fallen to 55,400, of which 45,900 were seeking places in TAFE. In 2004, from figures released by the ABS on 2 December, the level has fallen further to 45,500, with 34,100 seeking to study at TAFE. All this is against the background of an increase of 35 per cent in the number of VET students since 1995.

The strong VET system supported by national initiatives has seen a continued and steady decline in the level of unmet demand for VET over recent years. The reform of Australia’s VET system and the increased funding provided by the Australian government are providing increased opportunity for all. In the vocational education and training sector we are now in a transition stage in terms of national arrangements and, as we heard on 22 October, the Prime Minister announced the abolition of the Australian National Training Authority, ANTA, and the transfer of its functions to the Department of Education, Science and Training from July 2005.

ANTA was established in 1992 to coordinate the levels of government in setting up a truly national vocational education and training system and 12 years on this national system with industry leadership is in place. It is a significant achievement of ANTA, and indeed of all of the stakeholders, that the national training system that we are now delivering is industry endorsed with nationally recognised qualifications that are the envy of
many other countries. The transfer of ANTA functions to the department acknowledges the maturity of the system and the achievements of the national training system to date. It does not mean that there will be a reduction in effort—quite the opposite. The Prime Minister has announced that a new ministerial council will be established to ensure the continued harmonisation of a national system of standards of assessment and of accreditation. This will allow a clearer focus on critical issues facing Australia such as skill shortages, and I stress it is the government’s intention that the national system will continue and that industry’s central role will be maintained.

In recognition of industry’s role in the vocational education and training sector the Howard government will establish the Australian Institute for Trade Skill Excellence. This institute will provide industry endorsement and qualifications provided by both private and public training providers and will identify high-quality and industry relevant training. The strength of Australia’s economy has seen a strong increase in the demand for skilled workers. For too long, success for young Australians has been equated with finishing year 12 and getting a university degree. We are committed to challenging the view that new apprenticeships and vocational education are second-best to university and to providing high-quality alternatives to the 70 per cent of young people who do not go directly from school to university.

The latest figures show that in 2003 there were more than 1.7 million students in vocational education and training. This represents more than 12 per cent of Australia’s working age population and, as I said before, an increase of 35 per cent from 1995. New apprenticeships have grown to around 400,000 in training—nearly three times the number in training in 1995. Today, new apprenticeships are available in more than 500 occupations, including emerging industries such as aero skills electrotechnology, information technology and telecommunications. This bill appropriates funding for the full 12 months, enabling states and territories to plan their ongoing vocational education and training delivery. I commend the Vocational Education and Training Funding Amendment Bill 2004 to senators.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

COMMITTEES

Membership

A message from the House of Representatives was reported informing the Senate of the appointment of members of the House of Representatives to joint committees, as follows:

Australian Crime Commission—Joint Statutory Committee—Mr Byrne, Mrs Gash, Mr Kerr, Mr Richardson and Mr Wood

Corporations and Financial Services—Joint Statutory Committee—Mr Bartlett, Mrs J Kelly and Mr McArthur

Native Title and the Aboriginal and Torres Strait Islander Land Fund—Joint Statutory Committee—Mr McMullan, Mr Randall, Mr Slipper, Mr Tollner and Ms Vamvakinou

Broadcasting of Parliamentary Proceedings—Joint Statutory Committee—Mr Baldwin, Mr Bartlett, Mr Lindsay, Mr Murphy and Ms Vamvakinou

Public Accounts and Audit—Joint Statutory Committee—Mr Baldwin, Mr Broadbent, Mrs J Kelly, Dr Laming, Mr Somlyay and Mr Ticehurst

Public Works—Joint Statutory Committee—Mr Forrest, Mr Jenkins, Mrs Moylan, Mr BP O’Connor, Mr Ripoll and Mr Wakelin
that this was a policy based on the politics of envy, nothing could be further from the truth. This was a policy which went to the heart of fundamental questions of social justice in this country.

At this stage of the year the opposition clearly have no intention of holding up these major funding bills. Not only do we not want to threaten a substantial share of the funding that goes to public education but also, of course, there is the funding that goes to less wealthy non-government schools in both the Catholic and other sectors. So we are not prepared to hold up this legislation.

In the first place, I think it is important to reiterate that, as far as Labor is concerned, the first priority of government must be high-quality, universally accessible funding for public education. Equally, wherever a child goes to school, whether to a public or a private school, we take the view that all children are entitled to resources at levels that meet a national standard. Therefore, schools should be funded on the basis of need and, accordingly, I move the following second reading amendment that expresses that view:

At the end of the motion, add “but the Senate:

(a) condemns the Government for its unfair funding policies for schools; and
(b) believes that there is a need to restore integrity and sustainability to Commonwealth funding of schools through the adoption of comprehensive principles that include:

(i) supporting high quality public schooling as a national priority,
(ii) recognising the entitlement of all children and young people to national standards of educational results and resources,
(iii) giving priority in funding for all Commonwealth programs for schools to meeting the educa-
tional and financial needs of schools,
(iv) recognition of the right of parents to choose the type of schooling for their children and to public funding for that schooling based on need, and
(v) Commonwealth funding for schools should be provided as part of a national partnership with state and territory governments so that all governments work together to deliver high quality schooling for all”.

I am sure that those senators interested in this question will recall that, back in December 2000, when the last major funding package was brought before the Senate, I made the point that nothing matters more than the education of our children. Of course, I still hold that view.

When Labor passed the 2000 package, we outlined that we regarded it as poorly thought out legislation which was a recipe for increased inequality in the outcomes of Australian schooling. I think that position has been borne out by the passage of time. We passed the bill in December 2000 because we simply had no choice in the matter. It is quite apparent that the concerns expressed at the time of the passage of the legislation have now come to pass. We will pass this legislation for very much the same reasons as we did the previous package. We believe this is a very badly thought through piece of legislation. We argue that Australian schools deserve far better. However, they deserve to know with certainty what their funding will be for the next year and that is essentially why we will be voting for this legislation today.

In the previous parliament, I chaired a Senate inquiry into the principles that underlie this particular bill. While the inquiry was inevitably truncated because of the time con-
applied to them. The formula was simply inadequate, they said, to support low-fee schools, especially those in regional areas and those still finding their feet as relatively new schools.

The Catholic systems told the committee that, although they were now to be funded on the basis of the actual SES scores of their schools, they did not intend to distribute the aggregated recurrent grants provided by the Commonwealth on the basis of the SES index. Instead, they all reported that they would continue to allocate funds on the basis of the actual resource needs of the schools within the system, which was something not reflected in the SES formula. Small private schools in the Australian Capital Territory told us that the SES funding system was a disaster in Canberra. SES scores failed completely to reflect the socioeconomic make-up of the school communities because of the unusually heterogeneous nature of Canberra suburbs, where the wealthy live next door to the disadvantaged. Some schools, funded under the ‘fair’ SES system—as it was described—were struggling to stay open because the SES system completely missed the target in terms of assessing their true needs.

This, and much more evidence, convinced me that the current school funding arrangements and the priorities set by this government are in a shambles. They do not reflect either the needs of a school and the community or the wider views and aspirations of the public at large. This is a government that is deeply at odds with the Australian community about schools funding.

The second major theme that came out of the Senate inquiry was that people across the political spectrum in the schools funding debate were sick and tired of the division and disharmony around these matters. They wanted to see a new consensus. As educators, there was a widespread view that there should be a new set of arrangements entered into whereby people involved in the schools debate were free to actually get on with the job of education. That is what they really cared about. They recognised that to establish a new consensus we have to work together, as a nation, to achieve agreement about how schooling will be funded from the public purse. We have to forge an agreement with the states and territories for that to eventuate.

The Howard government, on the other hand, right up until today, has presided over division and discord. In this area of policy—as in so many others I can think of, such as those concerning asylum seekers or industrial relations—this is a government that has sought to play upon wedge politics. It has taken the view that one can essentially ignore the social cost, because it thrives on a them and us mentality and has sought to essentially exploit those divisions within the community.

Labor takes the view that it is the national government’s responsibility to make sure that the nation works together. The national government has to take an active responsibility for building coherent policies and the political consensus that should accompany them. National government should be in the business of building social harmony. We have too many factors working within education at the moment to pull this nation apart. Xenophobia and religious bigotry are just two examples of those sorts of pressures. We see the alienation of the socially dislocated and the disadvantaged. We see the victims of the Howard government’s policies in terms of industrial relations and social policy as another area of major social concern. We say that it is time for the government to reverse its callous, irresponsible strategy of neglect and to face up to the real issues in Australian school funding.
The question of capital funding requires considerable attention. Political stunts are being pulled in terms of this legislation by bypassing the states and handing out token amounts of capital funding. Many small projects—such as sun protection devices or air-conditioners—are being used to bring this issue to the fore. What is remarkable is this new government policy of directing funding straight to school-parent organisations on a submission model, with applications going straight from schools to the Commonwealth. Once again, we see this highly conservative government turning its back on traditional liberal principles about the role of the states in this area. We see a highly conservative, reactionary government essentially turning its back on the traditional provision of the responsibilities of the state. The government is proposing that government funding go to both government and non-government schools on the basis not of recognised block funding authorities but of direct government grant.

What we have got here is a government program essentially seeking to bypass Labor states. That is really the core of it. What we have got is a government that is trying to curry favour with kids in government schools by providing tokenistic payments for small-scale projects and facilities. It is a gimmick, and parents of government school students will not be fooled by it. They will not deduce from this that the Commonwealth actually cares for programs more than it did in the past, but they will know that it is another opportunity for local members of parliament to get into the rort mill, to be able to provide special largesse to favoured communities where it suits the government.

Labor’s priorities for schools funding are clear in our policy. For Labor, the priority in funding for schooling must go to government schools, to public education. That does not mean that we would abandon private schools. Our view is that support for the non-government sector is critical but that it should not be seen as some sort of abject entitlement. Labor policy calls for a national schools resource standard, linking federal and state funding to this standard. All Australian children—even the sons and daughters who go to Geelong Grammar—ought to be able to expect that schools work to a standard. Labor have a commitment with the states and territories to cooperate to bring coherence and fairness to the funding of both public and private schools. Everybody should be funded on the basis of need.

The Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 is being debated cognitively with the States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004. Essentially, the second bill is about the government’s $700 reading voucher scheme. Labor do not oppose the introduction of this measure, because we support any measure that might help kids who are having trouble learning to read to reach the standards that are required by a complex and challenging world. However, we would like to draw the Senate’s attention to some of the issues that these measures do raise. My colleague Jenny Macklin has said that the literacy measure introduced in this bill, the Tutorial Credit Initiative, is yet another example of catch-up politics on the part of the minister, Dr Nelson. The issue of early reading and literacy is one that was put firmly on the agenda by the Leader of the Opposition, Mr Mark Latham, much earlier in the year. Labor are well aware of the need to start early when it comes to reading. Literacy and numeracy in the early years will be a high priority for a Labor government. We will develop a program designed to positively encourage an interest in reading in all children in the preschool years.
Senator Kemp—And your state governments couldn’t care less about it.

Senator CARR—Senator Kemp, since your brother was removed from this portfolio it has gone downhill. We understand what the dilemma is in the Kemp family: the heart has gone out of the government in these matters. It is purely, blindly ideological, without any coherent understanding of what is going on. So I can understand why you are so concerned about this, Senator Kemp.

I want to draw attention to some of the potential difficulties the government is facing with the implementation of this tutorial scheme. First, many commentators have drawn attention to the logistical problems—for instance, the availability of tutors in all regions, especially rural and remote areas. Of course there will be no provision on the basis of need. Second, there is the capacity and opportunity—again, especially in remote and regional areas—for parents to seek assistance for their children. I am concerned that this bill will not be able to provide for that. Third, there are details of the brokering arrangements for the hiring of tutors and the assigning of tutors to students. These, again, are very sketchy. I look forward to the Senate estimates, where we will be able to have that explained to us, along with the way in which the money has actually been allocated. I pity the poor officers that have to explain that. Labor will want to know exactly how the government proposes to make the initiative truly effective for kids and their families in every region, from every corner of the country. We want to make sure that every element of our society actually has access to these provisions.

On the surface it is pretty easy to sustain the charge that this looks like a cynical publicity grab, a device to try to attract votes, particularly in marginal seats—yet another quick fix from Dr Nelson. It appears to have all the hallmarks of an ill-considered, ill-conceived policy initiative designed by the pollsters, aimed at winning votes in marginal electorates. With those sorts of reservations, we obviously will support the measure, but we do acknowledge that there are profound administrative difficulties. I look forward to the officers at estimates explaining to us how these problems are being sorted out. The problem is that the officers constantly have to take out the garbage for this government. Things just get dumped in the bin and someone has to carry it out. I am afraid this is yet another example where that will occur.

What we are looking for here is for the Commonwealth to explain how it intends to actually administer these programs. All the sound evidence supports the view that reading programs need to be integrated within an entire pedagogic program. I look forward to seeing how the Commonwealth officers will be able to explain the processes that have led to the development of this policy. From my experience as a teacher I know that past programs have been developed, such as Reading Recovery and various others, which have shown considerable success.

Senator Kemp—You’re the cause of the problem; I was wondering who was the cause of the problem.

Senator CARR—We never had these sorts of difficulties at Glenroy Tech. We never saw the Kemp brothers at Glenroy Tech, I can assure you. There are other areas, particularly in the run-up to the federal election, where I think the government used individual voters in a bid to seek to develop a much broader social policy. What happened here is that the government failed to develop a coherent educational policy but rather had a grab bag of measures aimed at securing votes in marginal electorates. The Howard government has abandoned policy coherence—and since Dr Kemp’s departure from
the portfolio you could have expected that. There has been no real understanding of what is required to actually lift educational attainment in this country, to encourage higher levels of participation and to ensure that there is a genuine approach to social justice in these matters. The second reading amendment that I have moved today addresses some of those concerns and I trust that the Senate will find favour with it.

**Senator ALLISON** (Victoria) (5.38 p.m.)—I also rise to speak on the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 and the States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004. The government has chosen to ignore completely all of the criticisms that were made of its SES funding model. This bill simply enshrines those inequities and ignores the problems that have been raised. It does significantly increase grants to the Catholic school system, and no doubt much of this money will go to schools that have fewer resources than wealthy schools, but that is because the Catholic sector will distribute those funds according to its own criteria of need.

This bill also places numerous and not very sensible or useful conditions on the funding of both government and non-government schools. The Democrats initiated the pre-election inquiry by the Senate Employment, Workplace Relations and Education References Committee into Commonwealth funding for schools. That inquiry said that the federal government’s funding arrangements were not needs based because they failed to take into account the actual income of parents and the many other resources available to the wealthiest non-government schools, providing the largest increases in funding to non-government schools that were already operating well above the resources that were available to government schools.

Louise Watson’s report, presented to the inquiry, showed that 27 per cent of private students—in a survey of 1,000 private schools—attend schools where the income from tuition fees alone exceeded the average resources per student in government schools. Ten years ago the federal government allocated around 62 per cent of its school education budget to non-government schools. Now that figure is 71 per cent. Between 1996 and 2001-02, Commonwealth expenditure on non-government schools grew almost twice as fast, at 48 per cent, as expenditure on government schools, at 28 per cent. The result is that independent non-government schools have far higher resources than government or systemic Catholic schools.

The federal government now provides more funding to non-government schools than it does to our public universities. The SES model is also so problematic that over 50 per cent of non-government schools are funded outside its formula. Just imagine a tax system in which half of the population were exceptions to the rule. If the SES system were applied to all schools, apparently it would be unfair, but we are expected to believe that it is a fairer system than the one it replaced. Of course, it is unfair whichever way you look at it—it is not needs based, unless you think that schools that can afford to spend twice or even three times as much as other schools on every student should be publicly subsidised.

The Prime Minister made a big fuss over the Catholic systemic schools coming under the SES system from 2005, but in 2005 almost 60 per cent of Catholic schools will not be funded according to the SES model. When it introduced the new SES funding formula for non-government schools, which the Democrats voted against, the federal
government said it was based on need. Four years of operation of the SES funding model has generated a large body of evidence describing the problems inherent within that model and pointing to the fact that need as measured in the model related to only one measure—the notional, geographically averaged capacity of parents to pay fees.

So what does it matter that the government has made such generous contributions to the running of schools that already have high incomes and often high levels of achievement—if you count university entry as a measure, as I think most parents would? Australia’s levels of learning are quite good when compared with other countries, and some might say that the system must be working. But the problem, as we all know, is that the gap between high and low achievers is big and growing under this approach. Dr Barry McGaw told the schools funding inquiry that the Australian schools system as a whole is one of the most inequitable in the developed world in terms of the distance between the schooling outcomes for students from the highest socioeconomic background on the one hand and those from the lowest on the other. We are now in the unfortunate situation where kids who are bright and who have supportive, well-educated and well-resourced parents are doing much better than the bright kids who happen to be born in poor or isolated families.

What is wrong with the government’s approach is that it does not encourage a level playing field for children. Surely, a lot of parents not on high incomes make very big sacrifices to send their children to private schools, but the question I think we should be asking here is: why do they feel they must do this and doesn’t it suggest that they think the government school system is not well enough resourced? This approach also ignores the most crucial question: what are the educational needs of the child? How does the child with a learning disability or a language problem or those who are Indigenous fit into this needs based model? The most difficult to teach children will not be found in wealthy schools. Yet it is the difficult to teach who need our attention most.

Research from the St Vincent de Paul Society says that, if you are a child in one of the 21 per cent of Australian households that has an income of under $400 a week, your chances of getting out of deprivation are closely linked with your access to good education. And, as we know, how well we do in school is a significant determinant of how well we do socially and economically in adulthood. Eighty-five per cent of our prison population did not finish year 10. Despite all this evidence, the coalition goes on claiming that it has a needs based funding system, when it is anything but. It is false, it is misleading and it ought to be chucked in the bin.

In our view, we should start again—working with schools, school principals, parent and teacher bodies and state and territory governments—and devise a system that is based on educational need and that has a specific aim of giving all students the same educational opportunities. This bill is more than an ideological argument between supporters of private and public schools. The choices this parliament makes with regard to this bill will determine whether we start improving the future for our most disadvantaged children by reforming an inequitable system of funding or we continue increasing their disadvantage and make it even harder for them to contribute economically and socially to the future of our country.

The Democrats have received—no doubt all of us in this place have—over 300 letters from government schools outlining the inequities between federal funding for government schools and non-government schools. We take these communications seriously and
we believe a system that funded both government and non-government schools by a formula giving the greatest weight to educational need would address their concerns. Even if we define ‘need’ as the need of parents to pay fees, the system should factor in whole-of-school income and assets, which the SES model does not. Non-government schools and school based systems have the flexibility to set their own fee levels regardless of how much funding they receive. Of course, government schools also charge fees but these are voluntary and make up less than five per cent of total government school funding.

Donations are also a major source of funds, particularly for non-government schools. The more ‘old school tie’ a school is, the more benefactors it has and the greater the generosity of those benefactors. These tax deductible donations can increase substantially the funds available to schools and are, by all accounts, spent on facilities and services rather than reducing fees. This revenue forgone by tax deductibility is yet another subsidy that largely goes to the wealthiest in society.

The Democrats would like to see funding models take into account cost-saving mechanisms as well as income. Schools save money by excluding the hard to teach—nudging out those who are not going to bump up their university entry scores. Eighty per cent of the school population will not make it to university, but some independent schools are not much interested in these students. It costs schools more to overcome the disadvantages of poverty, entrenched unemployment, dysfunctional families, violence, drug and alcohol abuse, mental illness, disability and non-English-speaking background—to name just a few—which are the reality of many children. A government that was seriously interested in the rights of children, or even clever enough to know that the next generation of workers will have to be well educated to support the ageing population, which we so often hear the Treasurer talk about, would reform its funding system with this in mind.

The government sells its policy of funding non-government schools under the guise of choice. It ultimately suits government to get parents to send their children to non-government schools and to fork out at least some of the cost, which is why the two major parties have been only too happy to see the size of the non-government sector grow for the last three decades or so. The question is: will this bill encourage that growth? I think it probably will. Should all schools in this country instead be resourced to, say, the average for independent schools? I think that would be reasonable. At least before the last budget it might have been doable. Seventy per cent of Australians called for increased education and health spending as a priority over tax cuts. The coalition, supported by the ALP, said that they would rather spend $14.7 billion over four years on tax cuts to high income earners. At the time, the Democrats called for an extra mere $2 billion in public funding for primary and secondary education, with $1 billion of that going to government schools and the other $1 billion directed to educational need. This position was vindicated by the recent draft report from the MCEETYA schools resourcing task force, which said that government schools need an extra $2 billion a year to meet literacy and numeracy goals.

Capital works and maintenance funding should also be based on need. Currently, grants for capital works discriminate against the schools that cannot raise their own funds and take little account of the needs of the student population. One of the more ludicrous parts of the bill is the section that gives effect to the coalition’s election promise to provide small capital grants directly to gov-
ernment school parent bodies, bypassing the states and presumably any sensible or equitable prioritising of funding. Again, that is a funding policy that takes no account of need. It will no doubt benefit those schools that have active, committed parent organisations that can write good grant applications for that shade over the sandpit or other small item that schools may be able to put forward. It is very interesting that a government so fond of getting rid of public servants, particularly when it first came to office, is now so willing to set up another bureaucracy to administer these grants. It might also be argued that the few dollars this dispenses to schools is hardly worth the effort; but, in any case, the Democrats would prefer to see the funding for government schools directed to the state education departments and sent with a very clear message that it is to be spent, firstly, on finding out where the capital works are most needed.

We desperately need an audit of capital works in this country. It makes much more sense for this money to be used at least in the first instance on an audit of school facilities. We ought to know how many kids are still in portable classrooms, many of which are old enough to be heritage listed, in my experience, and how many do not have the most basic indoor multipurpose spaces, for instance. An indoor space where children can learn gymnastics, put on plays and hold assemblies should be basic even for primary schools, but it is not. Portable classrooms that do not move anywhere for 25 years are uncomfortable and inappropriate learning environments, and they send a very clear message to students that their education does not matter. This government has a preoccupation with national benchmarking and testing for literacy and numeracy but there is no benchmark or national basic standard for basic school amenities. A national audit of all school buildings and facilities is urgently needed and should be followed by a development plan to fund schools to meet basic infrastructure standards. Overall the Commonwealth expenditure on capital works has dropped since 1993 by around 30 per cent. This bill will go some small way to redressing that situation but, as I said, it is not particularly helpful.

The cognate bill in this debate, the States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004, gives vouchers of $700 to parents of grade 3 students who fail the reading tests, so that they can access private tutors. This funding, and the $200 million for early childhood intervention announced in the 2004 budget, would achieve better results if used in preschools to keep class sizes down to no more than 15, or to remove preschool fees altogether. The government continues to insist on testing and reporting in schools when a key way to improve success in schools would be for all children to have the universal right to go to preschool for at least one year before entering school. Instead, 40,000 children miss out on preschool every year; there are no national standards for preschools; and there is a patchwork of state government, local government and community-run centres with no coordination between governments. There is federal government disinterest, little access for three-year-olds, a great reliance on parents for organisation, and prohibitively high fees.

According to the Australian Primary Principals Association, children are also missing out on primary school because our primary schools lack the resources to meet national goals of schooling. The Democrats, the Australian Primary Principals Association and the AEU argue that the $20 million being spent on tutorial credit initiatives should be used to support existing programs in schools. Schools already have the structures and the expertise; all they need are the resources to
work one-on-one or in small groups with struggling children. These vouchers are not only a massive vote of no confidence in our schools—a vote of no confidence which is neither justified nor useful—but also a very inefficient use of government money. As I said, those funds should be directed to schools where quality assurance and appropriate infrastructure are already in place.

There are many questions about the programs, such as the availability of suitable tutors, the capacity of some parents to seek help for their children, and how this tutorial assistance would tie in with what students are learning at school. There is also concern about the fact that there is no indication that the pilot will be applied beyond term 2 of 2005, nor any details about its proposed evaluation. The inquiry the government launched this week into the teaching of reading will not address the real issues that affect literacy rates—that is, targeted resources that can be used for students who have literacy and numeracy problems in our schools. Minister Nelson needs to understand that difficulty in reading is often a learning disability that continues throughout school and on to later life. To imagine that learning problems can be fixed with a few after-school tutorials in grade 3 is truly fanciful.

So despite its rhetoric on the importance of values, the coalition has in this bill offered only $4½ million, or $1.50 per student, to implement the National Safe Schools Framework. The coalition has encouraged user pays and private education thinly disguised as choice, while failing to address big gaps in student achievement, falling retention rates, large class sizes, alarming teacher shortages and poor facilities, particularly in many government schools. If this legislation is a demonstration of the federal government’s support for public education rather than some attempt to stop its further marginalisation then I think the government needs to do much better. The Democrats will be moving amendments to this legislation—we can see that the legislation is going to pass and it is a great pity that it has been pushed to this late stage in the year for us to deal with it—and we hope the Senate will support them.

Senator FIFIELD (Victoria) (5.56 p.m.)—I also rise to speak in the second reading debate on the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 and the States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004. These bills will implement the government’s clear commitments to schools funding presented to the last parliament, together with the commitments made during the recent election. With these bills the Australian government is providing supplementary funding for state schools of $10.8 billion over four years. This represents an increase of $2.9 billion over the current funding levels, which is good news.

The government is also improving the funding arrangements for non-government schools, over four years bringing funding for Catholic schools to $12.8 billion and funding for independent schools to $7.8 billion. Every Catholic and independent school will now receive funding based on the same funding formula—the socioeconomic status funding model. A funding guarantee mechanism will ensure that no school will lose funding when the SES scores are updated.

The Australian government continue to support state, Catholic and independent schools. We do so in part because state Labor governments have failed to adequately resource their school sectors, to inform parents, to provide parents with the information needed to monitor the progress of their children’s education and to enable a comparison of schools. The coalition believe that parents...
should be able to choose which schools their children attend and to do that they need appropriate information in order to make that choice. Parents have a right to expect that their taxes will support their children’s education regardless of whether they choose a state school or an independent school. In addition to recurrent funding, the Australian government, in these bills, is also providing $2.5 billion for school capital works over the next four years. This includes $1 billion announced during the election campaign and $700 million of this additional funding will go direct to state school communities. It will not go to state bureaucracies or to teacher unions. It will go straight to school projects like libraries, computer facilities, and playing fields.

Senator Carr—it’s largesse. Be honest, you are rolling out the pork.

Senator FIFIELD—On this side we think it is great. We know school communities welcome this initiative, and it is clear why they welcome it—they desperately need this funding. It is a pity that state governments do not put the same priority on their schools that the Commonwealth puts on them. Labor oppose this measure because they believe that school bureaucracies and state governments know far better than local school communities how to spend that money. Governments always know best; the bureaucracy always knows best! We want to put the money in the hands of the school communities because they know what the issues are in their schools.

The government has consistently pursued an agenda of improving choice and fostering excellence in education. Parents have the right not only to choice but also to knowledge about the progress of their children. The government, with these bills, will also require as a condition of funding to the states and territories that student report cards are in plain English. This information will be available to parents.

Senator Carr—are you going to read them?

Senator FIFIELD—Members opposite would have difficulty reading even the plain English reports. This information will be available to parents. Comparisons of performances between schools will be available to parents. We will make sure that parents will have information that is meaningful and that will help them make a choice about what is best for their children. Other aspects of the funding include providing greater autonomy to school principals. We think that local school communities and local principals have the best idea of how to run their schools for the benefit of students. We are also going to see the implementation of the National Safe Schools Framework.

These bills also provide funding for the Tutorial Credit Initiative in states which report to parents about their children’s performance against the national benchmarks. Over the course of this year, more states started reporting to parents against the national benchmarks. The Australian government is now in the happy situation of needing this bill in order to expand the number of states to be included in the trial. Under this trial, up to $700 will go to parents for individual tutorial assistance for children who have not met the year 3 national reading benchmark.

The need for this was evidenced today by Dr Ken Rowe, chairman of the national inquiry into literacy teaching. Dr Rowe has stated that hospital psychology units are straining to cope with children seeking medical attention for problems caused by their failure to learn at school. He is quoted in today’s Age saying:

Hospitals are complaining that their clinics are being filled with kids who are being referred for
things like Attention Deficit/Hyperactivity Disorder (ADHD) ... But once the pediatricians sort out the children’s literacy problems, the behaviour problems disappear. What is essentially an education issue has become a health issue.

This is the real effect of state Labor neglect. The fact that more states are reporting against the national benchmarks demonstrates how the Australian government’s actions are assisting the states to lift their game. It is a shame it is necessary, given that the education of our children is meant to be a core state government responsibility. We as a national government are not going to stand by and watch the states neglect the education of our children. Where we see a need, we will act.

Education was one of the key issues on which the ALP chose to fight their battles—education was front and centre for senators opposite—and it is a key issue on which they lost. Incredibly, last week Labor decided to keep their divisive schools policy. The caucus chose to keep the hit list. I am sorely tempted to read out the full list of 32 schools in Victoria which are on the hit list because I think it is important for my constituents in Victoria to know that Labor are keeping that hit list. The parents of children in these 32 schools should know that Labor do not value the sacrifices parents make to send their kids to the school of their choice. Labor think these families are wealthy. Often there are two parents working hard to put their kids through the school of their choice, and we want to support that choice. But caucus have chosen to keep building a policy on class warfare. They have chosen envy over opportunity yet again.

There is a test in these bills for Labor. The test is to see if the opposition have learnt the lessons of the last election. The Australian Labor Party claim to have got the message. Before the election Labor opposed the earlier version of many measures contained in these bills. During the campaign itself education was where the philosophical difference between Labor and the coalition was the most stark. It sounds from what Senator Carr has said as though Labor might support these bills. But they do so with no sense of conviction; they do so with a heavy heart because they embrace the politics of envy rather than the politics of choice. Let those opposite demonstrate through a real change of policy that they can read the plain English report card that they have received from Australia’s parents. Join with the government, support parents, support choice, support excellence, eschew the politics of class and envy, and give parents what they want.

**Senator CROSSIN** (Northern Territory) (6.04 p.m.)—The purpose of the States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004 is to amend the States Grants (Primary and Secondary Education Assistance) Act 2000, and it confirms school funding as occurring from the start of the calendar year, 1 January 2005. So it is imperative that we deal with this bill in this four days of sittings. It is unfortunate that the government has left the introduction of this bill to such a late stage in the school year. Schools are already nearly finished for this year and well past the time when they have to start planning for next year.

**Senator Kemp**—There was an election!

**Senator CROSSIN**—Yes, but, Senator Kemp, you also handed down this money in the May budget and we have not seen this legislation prior to this. As yet schools do not know what funding programs or amounts they might have, nor do they know the terms and conditions attached to these funds by a government that, while trying to push responsibility onto the states, is showing ever increasing intervention in schools. We have seen over the course of this year additional
funding for values education, for physical education activities to be done to reduce childhood obesity—a concept which Labor not only support but also announced first—and for schools having to have ‘active flagpoles’, whatever that actually means. I look forward to the answers to all the questions I have put on notice on the number of ‘active flagpoles’ there are in this country and how many schools will need flagpoles, or flags for that matter, in order to put that policy into place.

It has, however, been a bit like many advertisements on TV: read the small print if you can and find what conditions apply to access these additional funds. Schools are going to have to provide much more detailed reports to parents. States are going to have to provide much more detailed reporting to the Commonwealth. Kids are having to undertake regular testing. Additional funds are available for extra reading tuition for kids who fail certain tests, rather than being there to provide access and assistance to those children before they get the chance to fail a reading test. With all these bits and pieces of funding and all these requirements to be met to get them, school principals must be wondering what is coming next. They must be asking themselves, ‘How can we plan and run a school when we have a government putting out programs and funds on the run? Where will we find the time to plan and do all this extra administration and reporting but, at the same time, remain focused on our core objective, which is to educate these children?’

However, Labor are not opposed to schools having adequate funding to provide our children with as good an education as possible. We strongly believe education should be well funded as an investment in our future. The problem we always have is the way in which this government allocates those funds. This government allocates funds in an iniquitous way. As was pointed out in the other place, the top 50 high-fee independent schools have received funding increases of 150 per cent since 2000. The Catholic systemic schools got an increase of just 25 per cent while government schools got only 20 per cent. It does not take Einstein to work out that this is not equitable. Let us just have a look at those figures again: the top 50 high-fee independent schools in this country have received funding increases of 150 per cent under this government. Even the poor Catholic systemic schools—and I had the privilege of teaching in one for three years in Melbourne—got an increase of only 25 per cent under this government. Government schools got an increase of only 20 per cent. So there is no equitable funding for the resourcing of schools under this government. In the Australian on 3 May this year Jenny Macklin said:

Too many schools are getting by on less than they should because of the Howard Government’s funding system. This system treats schools very differently, depending on whether they are government or non-government, and fails to address need.

And, of course, that is the real issue: need. She went on in the same article to give the now oft-quoted example of The King’s School in Sydney. That school already has top-line resources like vast playing fields, a rifle range and a pool but still got an increase in funding of 165 per cent between 2001 and 2004. By contrast, the Trinity Catholic College in Auburn, not far from King’s, got just 25 per cent—although it was the latter that had by far the greater need for funds. So where is the fairness and the equity in this policy of the government? I do not think I need to say any more to clearly illustrate the way in which the Howard government deals with school funding. By all means we should make certain that schools get the funding needed to provide our children with a great
education, but we should do it fairly and based on genuine need.

I will digress for a minute and talk about the trip that Jenny Macklin, Warren Snowdon and I took to places such as Elcho Island a number of months ago. The school there is doing a terrific job in addressing attendance rates and providing secondary education courses in the early stages. With the help of fantastic programs such as AFL Kickstart, the number of kids who are attending school has increased—in fact doubled—in that time. We took a trip on a small light aircraft out to some of the outstations. They are really struggling to provide education for anywhere between 15 and 40 children in probably no less than a donga or a makeshift classroom. They usually have second-hand materials and inadequate paper, pencils and crayons—let alone readers or maths resources, and far be it from them to think about any IT equipment such as computers or overhead projectors. Let us look at the statistics. When it comes to funding public education in this country, the amount of money that has been provided to places like The King’s School—a 165 per cent increase in funding over three years—is nothing short of a national disgrace.

I am saddened by the fact that the Minister for Education, Science and Training is now into his second term. I cannot think of any outstation that this minister has personally attended to look at the sorrowful state of Aboriginal education, particularly in outstations. He trumpets the benefits of this policy which is inequitable and unfair. That is embarrassing given the state of Aboriginal education in this country at this time. The States Grants (Primary and Secondary Education Assistance) Act 2000 brought in policies that provided the greatest funding increases to some of the wealthiest independent schools in Australia while funding for government schools was maintained essentially in line with indexation for the cost of schooling only. This policy is continued in the funding proposals put forward by the Howard government for the future. The existing unfair distribution formula remains over the next quadrennium. Independent schools will receive an increase of 47 per cent in general recurrent funding. Catholic schools 39 per cent and government schools only 27 per cent. Indigenous education workers and teachers in the Northern Territory, who overwhelmingly supported the Labor Party and its policies, will struggle for the next four years with an increase of only 20 per cent in their funding while some of the wealthiest and most independent schools in this country get a boost of 47 per cent.

I do not think anyone would deny that we should have choice in education just as in other aspects of life. We should have choice between government and non-government schools, but the Howard government loads the funding in favour of the wealthy schools to such an extent that it becomes totally biased towards the haves rather than the have-nots. That is absolutely typical of the philosophy of this government. Labor believe that policies should be based on genuine need—policies under which schools will know well in advance what their funding levels will be for 2006 and beyond. We remain committed to needs based funding. Our caucus committee just last week re-endorsed the principle of needs based funding and a general schools resource index. I am quite proud of that policy. I have travelled around the Territory and have taught in an Aboriginal school where we struggled to get new resources year in and year out. To even contemplate having some of the resources that some of these schools have was beyond us. We just wanted some decent topsoil on the footy grounds out in these communities—not just for the school but for the whole commu-
nity. This education policy of the government is an absolute disgrace.

As was stated by the shadow minister in her speech in the second reading debate, we believe in an increase in funding to government schools, to redistribute the funds away from high-fee independent schools to more needy Catholic or low-fee independent schools and to better resource public education in this country. Having said all that, and having condemned the government for its unfair distribution of funds and for holding back for so long on this funding bill, Labor will not be opposing this bill—and we cannot, because all schools around this country rely on this money flowing through from 1 January. We will allow the bill to pass for one reason only: to give schools, parents and children some degree of certainty for the next year, however unfair and biased that certainty might be.

Labor’s education philosophy is very different and would include establishing a national schools resource standard against which to measure school needs. This would enable all schools to have the resources to deliver a high standard of education. At the risk of being repetitive I want to put on record in this chamber the following facts, which were stated by the shadow education minister in the other place. This states grants bill 2004 provides for $7.6 billion to the 12 per cent of students in non-systemic independent schools and only $7.2 billion to the 69 per cent in government schools. For the first time ever, a government of this country is giving more funds to private schools than to government schools.

That is a national disgrace. This government is totally ignoring the needs of the majority of school students in this country—and the choice, mind you, of the majority of parents in this country, who choose to send their children to a public school. It has devised a formula that conveniently ignores the fact that the independent schools can operate from a very high level of fee income which gives them a high resource level without government help. But, again, it is what we have come to expect from the Howard government: look after the rich and kick the poor and keep them even further down.

But there is more, and it gets worse. Of the $31.3 billion in total funding for schools over the four-year period, only $405 million is new money—the detail is in the fine print with this lot—and, of that, only five per cent is for government schools. What a disgrace. On top of indexation, government schools over the next quadrennium will only get five per cent of the new money. Even to get this they have to subject themselves to new funding and accountability conditions—active flagpoles, for heaven’s sake; more testing of kids; more reporting to parents; and more time spent on administration. The government does not want more time spent trying to reduce class sizes, or catering to the needs of kids who are dyslexic or autistic or who cannot read. It does not want more resources put into the system so that those children who are speakers of English as a second language get the support they need to achieve, or extra resources for school counsellors or school careers officers. It wants more reporting and more testing of children—which is fundamentally flawed. If you have an education such as I have you can drill a thousand holes in that philosophy—and active flagpoles, for heaven’s sake!

Earlier this year I had the pleasure, as I said, of accompanying Jenny Macklin on a trip to a few bush schools in the Northern Territory. We found schools with ancient classrooms that were badly in need of repair—or, preferably, replacement—and with minimal equipment. They usually had no playing field at all, certainly no gymnasium or rifle range, and little sports equipment beyond a few basketballs or footballs—a far
cry from the elite schools this government defends that even have rifle ranges. Yet the minister in his wisdom thinks such elite schools need even more funding. We can only wonder what world he is living in. Perhaps he really does think the King’s School is the norm. I wait for the day he steps off a light aircraft in the Northern Territory and actually takes the time to visit an out-station and meet the teachers there. It is totally unacceptable that Indigenous students in the Northern Territory can be put into old, poorly maintained classrooms while at the same time this government is pouring millions into schools which already have new classrooms, well-equipped labs, extensive sports facilities and so on. It is no wonder that this minister wants to hide the real issues and facts, a job which he does very well with his myriad press releases to cloud the issues and muddy the waters. Take away the smooth words and the smoke and mirrors act and what we have is a national disgrace in education funding which is destroying the ‘fair go’ Australian philosophy.

This debate today also includes the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004. The facts and figures already quoted show what this government really means by choice: plenty for the elite with money but very little, indeed none, for most of my constituents in remote parts of the Northern Territory. To that extent one could certainly claim that this bill is wrongly named. Pat Byrne, the President of the Australian Education Union, summed it up recently in an article in the Australian Educator:

... it’s the same choice that we have seen the Howard Government provide on the establishment of more schools regardless of existing provisions, and additional funding to schools that need it least. Coalition policy threatens to make public education the residual system for those who cannot afford private education. It is a two-tiered policy based upon income and exclusion, not choice at all ...

The learning together bill implements several budget decisions: the integration of Catholic schools into the SES funding model, a funding guarantee to independent non-government schools that might otherwise be disadvantaged, additional funding for the capital grants program for some isolated Catholic schools in the Northern Territory and the establishment of the new Literacy, Numeracy and Special Learning Needs program aimed at the more disadvantaged students. This bill also sets out the new reporting requirements against performance measures, gives principals and councils more authority over staffing and makes schools commit to physical education programs—as if they are not already doing it. All of this has Labor support. It is just a pity that the minister and this government cannot see that the actual resources available to schools are more important than the state of their flagpoles or their flags. All the minister can do when confronted with schools saying they lack resources is to blame the states and then give more to already resource-rich independent schools.

This country cannot afford to wait another three years to have education funding changed to a national, cooperative, real needs based system. From Labor’s point of view, the introduction of a fair needs based funding formula is essential and urgent before the damage being done to our school system becomes irreparable. But for now, however, we condemn the government for delaying the introduction of these important school funding bills until such a late time of the year. The government also stand condemned for the ongoing—and indeed worsening—funding formula that they use. We support the passage of the bills with amendment. The second reading amendment that
has been proposed by the Labor Party seeks to add that the Senate:

(a) condemns the Government for its unfair funding policies for schools;
(b) believes that there is a need to restore integrity and sustainability to Commonwealth funding of schools through the adoption of comprehensive principles that include:
(i) supporting high quality public schooling as a national priority;—
(ii) recognising the entitlement of all children and young people to national standards of educational results and resources;
(iii) giving priority in funding for all Commonwealth programs for schools to meeting the educational and financial needs of schools;
(iv) recognition of the right of parents to choose the type of schooling for their children and to public funding for that schooling based on need; and
(v) Commonwealth funding for schools should be provided as part of a national partnership with State and Territory governments so that all governments work together to deliver high quality schooling for all’.

in other words, supporting and guaranteeing that support for government education—

Senator NETTLE (New South Wales) (6.23 p.m.)—The Greens will be opposing the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 because it is part of this government’s agenda to privatise our education system. It is part of turning Australia into a divided, elitist and, as a result, underperforming country. For the sake of our future generations, the Greens will play no part in taking our country down this path. We will also be opposing the harebrained scheme outlined in the States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004 to introduce the Tutorial Credit Initiative, which will pour $11 million per annum into privatising year 3 literacy whilst allowing public schools to go without much needed resources to tackle literacy problems within the comprehensive educational environment of the classroom. I have spoken in the chamber many times about the importance of public education, and I am proud to be in a political party that is a vocal advocate for public education. I speak out again today to defend public education because there is a no more gratuitous transfer of wealth from the public sphere to the private sphere of education—and no greater threat to the egalitarian nature of this country as a result—than that contained in the two bills we are debating today.

The Greens’ concern with the future of public education is about the principle of equity. Equal access to the highest quality education, equal access to the outcomes that education gives, equal status in the community with our neighbours, the right to grow and learn with all kinds of people as equals—this is the gift that public education gives us. This is why public education plays such a crucial role in knitting together our fair go society. But this fair go society is under threat as long as private schools which continue to exclude students on the basis of wealth, academic ability, behaviour, religion, sexuality, disability or race expand their share of school enrolments. Sadly, this is the context in which this debate is occurring.

Earlier this year the Sydney Morning Herald commissioned research on school enrolments. The study identified a drift in enrolments to the private school sector of over 22.3 per cent since 1993, whilst public school enrolments increased only 1.2 per cent. This is a staggering rate which is radi-
ally changing the culture of our communities, yet state and federal governments are silent on the dangers of this shift. In the face of what appears to be a growing class divide in Australia, both major parties are silent on this issue of enrolments. In the government’s case, they support the drift away from public schooling under the guise of promoting parental choice. The Greens recognise that this decline, if allowed to continue, will result in the public system being seen as a residual safety net school system. We recognise the negative effect this will have on the cohesiveness of our communities. The Greens recognise that the decline in enrolments in our public schools is a national problem that must urgently be addressed by all levels of government.

The Howard government are quite happy to see this drift in enrolments away from public schools to private schools because it is the outcome that their schools policy is designed to achieve. The policies of the government, which are clear in the bills today, have nothing to do with the principles of equality and everything to do with user-pays elitism. In fact, it is only when you understand that reducing the number of students in the public school system and boosting private school enrolments is the aim of the government through their schools policy that you can make sense of their policy, which otherwise appears as a real dog’s breakfast of conflicting logic and blatant inequities. For the first time ever, Commonwealth funding of private schools now exceeds the total Commonwealth expenditure on public universities—a staggering fact that the Howard government have brought into play. Between 1993 and 2002, funding for the Catholic sector rose 3.1 times faster than for the government sector, whilst funding for all other private schools rose 2.7 times faster than for the public schools sector. Since the government took office, recurrent per student funding to private schools has risen by 42 per cent. The share of total federal government funds spent on schooling that goes to private schools has risen from 55 per cent in 1993 to over 70 per cent today.

The private school sector has done amazingly well out of the federal government’s policies in the last few years. This is a result of deliberate federal government policy. The Howard government’s primary contribution to the school sector has been its generous bankrolling of private schools and its support for the deregulated expansion of the private school sector. Private schools have received a far greater increase in funding from government—that is, both state and federal governments—than public schools have over the same period. Even though the federal government contributes only around 30 per cent of the schools budget in Australia, the Howard agenda to push private schooling has reached a scale where the figures for all government—that is, state and federal—funding over the same period shows private schools outstripping public schools in their funding increase. A study carried out by Swinburne University of Technology’s Institute for Social Research found that between 1993 and 2002 government expenditure on private schools increased by 91 per cent, compared to 28 per cent for public schools. This was not simply a function of enrolments, because per student funding for private schools rose by more than double that of government schools.

Debate (on motion by Senator Ian Campbell) adjourned.

Sitting suspended from 6.30 p.m. to 7.30 p.m.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Environment: Program Funding

Senator IAN CAMPBELL (Western Australia—Minister for the Environment and
by leave—This afternoon just after question time, in providing additional information relating to a question without notice asked today, I made a statement to the effect that the Department of the Environment and Heritage had confirmed that the company Primary Energy Australia had not registered an interest in or submitted any applications for GGAP funding through any of the program’s three competitive funding rounds. The department has since advised me that the company Primary Energy Pty Ltd did not submit any applications for funding for any GGAP round. They did not register an interest in the early rounds, rounds 1 and 2, but did register for round 3. At no stage did they make an application.

SCHOOLS ASSISTANCE (LEARNING TOGETHER—ACHIEVEMENT THROUGH CHOICE AND OPPORTUNITY) BILL 2004

STATES GRANTS (PRIMARY AND SECONDARY EDUCATION ASSISTANCE) LEGISLATION AMENDMENT BILL 2004

Second Reading

Debate resumed.

Senator NETTLE (New South Wales) (7.31 p.m.)—I rise to continue my speech in the second reading debate on the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 and the States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004. The facts are incontrovertible: this government has poured buckets of money into the private school system. How has this happened? It has happened because the Howard government introduced a funding arrangement four years ago which it Orwellianly named the socioeconomic status, or SES, model. The government claims that it gives money to those schools which educate the poorest in our community on the basis of socioeconomic need, yet the rich schools end up with massively more money than they were getting before and they are not the schools that are educating the poorest people in our community. It is an absolutely bizarre outcome for a model that the government claims is about equity when we see more government funding going into the wealthiest private schools.

The SES funding model was a rort from the outset which has only got worse over time. In fact, it is a double rort. Firstly, the use of census districts to measure socioeconomic status is about as reliable as using your shoe size to pick a footy team. Just because the average income of your neighbours is low does not mean that yours will be. In reality, those who can afford to send their children to schools which charge annual fees of over $10,000 are the higher income earners in their area, not the average or lower income earners. This means, for example, that boarders from rural New South Wales at the King’s School are more likely to be the sons of large land owners, but under the government’s system they attract a subsidy based on the income of their father’s tenants.

Secondly, the government has rorted its own system to ensure that, if schools are still worse off—compared to the existing government subsidies—after this warped logic of the SES funding model has been applied, their funding is maintained and indexed at their overfunded levels.

The system gets worse still in this legislation. This legislation introduces the Catholic systemic school into the SES funding model. The minister will tell us that Catholic systemic schools are now part of the SES system, but this is totally misleading. In reality, all government money goes not to individual Catholic schools but, instead, centrally to the Catholic boards of education. They get the money based on a notional—or, in other
words, made up—SES score of 96 and then they distribute the money as they see fit. Additionally, 60 per cent of Catholic systemic schools are notionally funding maintained—that is, the SES funding model says that they are overfunded and yet the government intends for them to be able to continue the funding they are receiving at what it perceives to be an overfunded level.

Catholic system schools will get an additional boost of over $360 million as a result of this legislation. But there is no guarantee that this money will find its way to the most needy of Catholic schools, because the money is paid in a lump sum to the Catholic boards of education, who then distribute it according to their own model of need—not based on even the government’s bodgie SES system, which is designed to have some concept of need as a part of it. Private schools get to pick and choose students—and have lower operating costs as a result, because they can choose not to educate the most disadvantaged or those students needing the most assistance—yet they continue to get generous rises in public subsidy even when their estimated per student expenditure is already on average 15 per cent higher than that of government schools and in many cases much more than 15 per cent higher.

The situation is clearly perverse, but this legislation takes us on a trajectory that makes this inequity a whole lot worse. The Swinburne University of Technology study that I mentioned earlier projected that, within seven years at the current rates, governments will be providing more funding to private schools than to public schools. I will say that once more: in seven years time, at the current funding rates, governments will be providing more funding to private schools than to public schools. I remind the Senate of the quite illuminating views of the minister for workplace relations’s chief of staff, Mr Kevin Donnelly, who in a recent book and accompanying articles describes public schools as homes for ‘feminist, multicultural and neo-Marxist’ theories. He reminds us:

... many parents would consider the sexual practices of gays, lesbians and transgender individuals decidedly unnatural and that such groups have a greater risk in terms of transmitting STDs and AIDS.

Are these the sorts of values that the Prime Minister would like to see public school teachers promoting? Clearly these are the views of the chief of staff of one of his front-bench cabinet ministers. Not only is this comment homophobic but the intention is clearly to imply that teaching a celebration of diversity is wrong and that somehow public schools are in the business of forwarding partisan political agendas.

This is part of a propaganda war against the public school system and it has the two-pronged objective of encouraging enrolments in private schools and introducing intolerant, conservative values into public schools. The flagpole requirement in this bill is an example of this government’s values approach—specifically a myopic vision of patriotism. The Greens are appalled at this state of affairs. Our policies, as suggested in our amendment to the second reading of this bill, which I will foreshadow at the end of my
contribution, are targeted at turning this around to firmly establish that the government’s primary responsibility should be to the public school system and that it should act to ensure that public schools can offer the best education available, which is what governments are elected to do.

The Greens advocate significant increases in funding for public schools from all levels of government and we also expect all levels of government to be enthusiastic cheerleaders for our public schools. This bill should be rejected in its entirety to allow alternative legislation that achieves these goals to be brought before the Senate. The Greens say that a new and alternative bill should abolish all public funding to the wealthiest private schools and redirect this money to struggling public schools and that a full inquiry should be undertaken to examine whether the funding going to the rest of the private school system is the best way to spend our education tax dollars. In the meantime, the Greens say that the current generous levels of funding to the rest of the private school system ought to be frozen for four years while any inquiry is under way. The savings made here should be redirected into the public school system, including for a new priorities schools program, similar to the old disadvantaged school program, that would target the most needy of the public schools. Consider what a difference that would make to the educational outcomes in Australia. Over $6 million over the next four years would go to struggling public schools and students with special challenges rather than to the very wealthiest schools within the private school system.

The Greens believe the government should be telling parents about what great work is being done in public schools. I have been privileged to visit many public schools. One that I visited in southern Sydney, Menai High School, is doing fantastic work with Aboriginal students and with students who have particular interests in agriculture, art and aquaculture. A whole range of specialist needs and interests of the students at Menai High School are being catered for by a top-quality public education system with committed high school teachers at that school. These are the kinds of stories that parents should be hearing from the minister for education, not the criticisms coming from the minister and the Prime Minister and the comments coming from government staffers like Kevin Donnelly.

I know that the opposition shares some of the concerns that the Greens have in relation to this bill, and I heard comments about them before. But I also heard the Labor Party say that they will be supporting this bill. When I speak with teachers and parents, they tell me about their experiences under state Labor governments, and it has not left them full of confidence that a Labor government will become the champion of public education.

The future of schooling in Australia is at a crossroads. It is worth remembering the trajectory we are headed down. The Swinburne University study said that, if we continue at these current funding levels, in seven years time both state and federal governments will be putting more money into the private school sector than into the public school sector. That is not what governments are elected to do. Governments are not elected to put more public money into private schools rather than invest in a quality public education system that all students can access regardless of their ability to pay, regardless of any disability that they may have, regardless of their gender and regardless of their religion. Children should be able to access a quality public education system. It is the government’s responsibility to fund that system. Yet we see this government going in totally the opposite direction by putting increasingly more funds into the private school sector. In
seven years times, if it keeps going at this level, it will be putting even more money into the private school sector than into the public school sector.

At a time when, as a nation, we should be celebrating and supporting the role our public school system plays in teaching all Australians side by side about different cultures and living the values of celebrating diversity, we are not. This bill is about giving an additional government endorsement to what a parent, quoted in the *Sydney Morning Herald*, called the educational equivalent of a gated community—a gated community which says: some people cannot come in here.

This bill should not be titled ‘Learning Together’; it should be titled ‘Learning Apart’ because that is a far more accurate description of the elitist approach which is inherent in this funding bill, which the Greens reject. We want the objective of providing the highest quality public education to Australian students to be returned to the top of the government’s priorities. Education should not be reduced to one more consumer status symbol that the aspirational voter is encouraged to purchase. Education is a birthright of everyone. Quality public education is a birthright of everyone. The Greens will continue to struggle towards this goal of universal access to quality public education. The logic of the argument is too compelling, the justice of the outcome is too obvious and the benefit for all of our futures is too great for parliament or anyone else to do otherwise.

I will just take the opportunity now to foreshadow the Australian Greens amendment, which I will move later at the conclusion of the second reading debate. The amendment condemns the government for its attack on the reputation, quality and impeccable values of public education, for its failure to adequately fund public schools to achieve their full potential and its failure to act to address the drift in school enrolments away from public schools. It calls on the government to: establish in legislation that the first priority to guide federal schools policy is the welfare of the public school system; scrap the manifestly unfair SES funding system for non-government schools; abolish the nexus between funding for non-government schools and both the AGSRC and the number of children educated in private schools; redirect the funding currently going to the wealthiest private schools into the public school system; redirect the increases in funding to all other private schools back into the public school system; introduce a new schools policy to protect the viability of local public schools; act to make non-government schools as accountable as government schools for the government funds they receive; ensure that all Australians have access to free, high-quality public preschool education; recognise that the public school system educates nearly 90 per cent of Indigenous students and that as a result better support for public schools and public schoolteachers is vital. *(Time expired)*

**Senator SANTORO** (Queensland) *(7.45 p.m.)*—Listening to Senator Nettle in this place tonight, it is very easy to see and understand why the Greens failed to realise the expectations that they promoted in the community prior to the last election and failed to realise votes that they thought somewhere along the line were going to give them the balance of power in this place. As someone who is a product of the private Catholic school system—two very small Catholic schools in Brisbane—I can very well understand why the parents of children at a school such as one of the ones I attended, and the relatives and the brothers and sisters of voting age that have relatives attending such schools, rejected the Greens’ philosophy on education as comprehensively as they did. In
fact they rejected the Greens’ policies on so many other issues that the Greens promoted. From my experience in the electorate of Queensland that I represent I fail to understand how the Greens can come up with the views that have just been expressed here this evening—and to a lesser extent also by members of the Labor Party in this place. I sometimes wonder whether we represent the same electorate—though I stopped wondering on election night because the results clearly demonstrated who was really in touch with the Australian electorate.

In the context of the debate on the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 and the States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004 before the chamber, I want to focus my remarks on the measure to fund improving literacy outcomes in state schools. Lifting the literacy skills of young Australians is a very important thing to do. Without basic literacy and numeracy, educational outcomes, employment prospects and life choices are severely limited. So it makes very good sense to assist parents to meet the cost of extra tuition for children who are not performing in terms of the test applied in year 3, the year 3 benchmark. The government is doing this through the trial Tutorial Credit Initiative, under which eligible parents will have access to a $700 tutorial credit for use on outside school hours additional tuition.

In line with the government’s philosophy of facilitating parent choice—so recently endorsed at the ballot box along with many other freedoms that the prescriptive legislation preferred by others would outlaw—this scheme gives parents choice and advice. Parents will select tutors and this process will be administered by brokers who will be responsible for the engagement of tutors at public expense who are appropriately qualified, screened and vetted.

It is probably worth repeating at this point that there remains some resistance to the concept of reporting schools’ academic performance publicly and that this is a short-sighted—and, in relation to teacher unions, self-serving—response to demonstrated need. On that front it is also worth recording the words back in May of the Queensland education minister, Anna Bligh, a luminary of the Left, about this tutorial scheme. Ms Bligh, who formerly failed to render satisfactory service as the Queensland children’s minister, is apparently determined to match this performance in education. In a media statement about this scheme issued on May 19 she said:

This is a cheap political stunt by the Federal Education Minister Brendan Nelson … It is important for the mums and dads of the more than 3000 children who are struggling with reading in Queensland to know that their child is a political football to the Howard Government.

That was last May. In October, just five months later and after the people of Australia had delivered their very different verdict on who was playing political football, Ms Bligh and Premier Peter Beattie had this to say in a media statement on public disclosure of performance:

It’s important that parents and the wider community have confidence in the quality of education being delivered in Queensland schools … we expect that making school data available will help drive performance.

Granted that the issues on the one hand of supporting parents in getting remedial tutorial assistance for their children with literacy difficulties and on the other providing information on school performance are separate, the principle is drawn from the same base. The state education systems are not places where, increasingly at Commonwealth expense, political footballs should be kicked.
around. Ms Bligh and the Queensland Labor government, please note: it is a fact that research shows—and Ms Bligh and Premier Beattie attempt to make a virtue out of their discovery of this long-known fact in their media statement of October 21—that schools in states in America which are required to publish literacy and numeracy results at certain levels achieve higher rates of improvement than schools in states which do not require such information to be made public. The issue in Queensland is that in relation to reporting literacy outcomes the state system now conforms to Commonwealth requirements, as is proper and which is most certainly to be welcomed.

The States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill gives effect to funding and facilitating choice of remedial action on literacy. Literacy and numeracy testing and benchmarking at years 3, 5 and 7 are a critical part of the schooling system and a key indicator of academic performance. The fact that more states than the original four taking part in the trial have come on board is great news. It is a significant step towards effective national standards and outcomes and obviously must be supported by anyone interested in the future of our children and our country. As the second reading introduction speech incorporated into the Hansard last week noted:

The 24,000 children across Australia who have not attained the minimum reading skills deserve the opportunity to receive additional tutorial assistance offered by the Tutorial Credit Initiative, and their parents are entitled to comprehensive information about their child’s progress.

That the Howard-Costello government is facilitating this process is to the credit of the government.

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (7.52 p.m.)—I would like to thank all senators for their contribution to the debate.

Question agreed to.

Original question, as amended, agreed to.

Bills read a second time.

In Committee

SCHOOLS ASSISTANCE (LEARNING TOGETHER—ACHIEVEMENT THROUGH CHOICE AND OPPORTUNITY) BILL 2004

Bill—by leave—taken as a whole.

Senator CARR (Victoria) (7.54 p.m.)—I move opposition amendment (1) on sheet 4459:

(1) Clause 4, page 7 (after line 6), after the definition of location proposal, insert:

need means an assessment of the educational and financial circumstances of a school and its community, including the varying educational programs required for individual students and groups of students to achieve national educational goals and the level of recurrent and capital resources available to a school from all public and private sources.

The opposition has moved this amendment to give a more explicit definition of the word ‘need’. It means an assessment of the educational and financial circumstances of a school and its community, including the varying educational programs required for individual students and groups of students to achieve national educational goals and the level of recurrent and capital resources available to a school from all public and private sources.

Therefore, it essentially has two elements. Educational need relates to the needs of particular students be they Indigenous students, people from disadvantaged backgrounds or people with a disability—in other words, the standard targeted equity groups. Financial need, more importantly, includes the consideration of resources available to the school as a community. I do not think I need to say any more than that.
Senator ALLISON (Victoria) (7.56 p.m.)—The Democrats will support this amendment. It has been our view for some time that educational funding decisions are not made on the basis of the most important need—the educational need of students—as I said in my speech in the second reading debate. Funding decisions at the present time are based on the capacity to pay fees and not on the very diverse range of student abilities within schools, student needs and educational needs. These should be first and foremost our underlying funding rationale.

Some students will need far more attention than others. Some students come to school already reading; others come to school with very little by way of vocabulary and a lot of problems looming. So we are pleased that the ALP is now talking about educational need. There was once a Disadvantaged Schools Program which, I think, was an ALP initiative. It has been a great pity that that was broadband and a lot of it lost to schools with highly disadvantaged students. Insofar as this changes attitudes to the way we fund education, the Democrats are pleased to support it.

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and MinisterAssisting the Prime Minister for Indigenous Affairs) (7.57 p.m.)—I have a couple of things to say on each of the amendments. Obviously, there are some philosophical differences here. Members opposite believe that it is appropriate to look at the fee income that a school gets. We do not. We think private contribution to education should be encouraged and should not be used as a discounting mechanism for getting some assistance from government in relation to schooling.

As many members in this chamber and other chambers understand, there are, at any one school, parents who can easily afford to pay the fees out of a single-income family income and there are other situations where both parents are working and one has or both have two jobs and they are really struggling to pay those fees. But they have made a choice that they want to put in the extra effort, the extra hours and extra work themselves and put their otherwise disposable income into sending their children to what many would regard as elite schools. Those struggling families should not be deprived of assistance because they make that choice. In fact, we should help them to make that choice. So we disagree with the basis on which Labor chooses to define ‘need’. I am not sure that we are ever going to come together on that.

I am reminded of some remarks in this place in 1996 or 1997 when Senator Stott Despoja, who is not with us at the moment—I do not know that we have any news from her on the impending birth of their child—was getting stuck into the government on the basis that we were supporting people who were ‘rich and thick’. I made the remark to her that it was all very well for her to say that about private schools but perhaps she should let everybody know that she went to one herself. On that occasion I got a filthy letter from her mother, saying how outrageous it was of me to bring her down in this way by mentioning that she had been to a private school. The letter from her mother, which I have referred to in the past and have not yet revealed—and I am not indicating by that an intention to do so—was nonetheless very telling about how hard it had been for her mother to send Natasha to a private school and about the tremendous effort she had to make in order to do that. I agree; I understand. Lots of parents do that. They are not all sole parents, as Natasha’s mother was at the time. This applies to dual-income parents, where they are both on very low incomes and decide to get extra jobs and pool
their resources. I just thought it was a bit rich for someone who went to a private school—

Senator Allison—Mr Temporary Chairman, I rise on a point of order. This is a bit inappropriate given that Senator Stott Despoja is not here to speak for herself. I have heard Minister Vanstone tell this story before. As I recall, she has misused the words and taken them out of context.

The TEMPORARY CHAIRMAN (Senator Ferguson)—Senator Allison, you are starting to debate the point. The statement being made by the minister is relevant to the amendment before the chair.

Senator VANSTONE—I am sorry that Senator Allison is bored by this story. Of course not everybody was listening years ago. There is a new audience.

Senator CARR—There’s not a new audience in here.

Senator VANSTONE—I think Senator Buckland, behind you, was not here at the time. He might be enjoying this story. It goes to the point that I made that not all kids who go to private schools come from wealthy families, and the fee income of that school is not an indicator of the wealth of the parents. That is why we say it is the wealth of the parents that you should take into account, which we do by our SES formula. Nothing in this world is perfect, but we think the proposition being put here is a mistake. It simply takes into account the fee income of the school and ignores what might be a dual income, a single income or a two-job effort of families who want to put things in. I will just put Senator Allison on notice: if she thinks I have misrepresented the situation, I am happy to find the letter and release it.

Senator ALLISON (Victoria) (8.02 p.m.)—The minister needs to understand this is going to be a very long debate if this is going to be the tenor of the discussion. I think it is worth while reading the definition. I am sure Senator Carr would do this in his own time, too. We are not actually talking about the affordability of fees. The definition of ‘need’, according to this amendment, is:

... an assessment of the educational and financial circumstances of a school and its community, including the varying educational programs required for individual students and groups of students to achieve national educational goals and the level of recurrent and capital resources available to a school from all public and private sources.

So before we get on with the age-old debate from the minister and the argument about parents struggling to pay fees for their students, perhaps the minister should read the amendment and try to understand what it means. The point, I think, that those on this side of the chamber have been making through this debate is that it is wise to allocate funding to schools on the basis of the needs of those students. Minister, you can talk about the needs of struggling parents paying fees and so on, but the point of this amendment is about the educational needs of students.

Some students are much more expensive to educate than others—that is a sad fact of life. Some of them are easy: they turn up at school and they can already read. Others do not come from English-speaking backgrounds and others have learning disabilities. There is a whole range of reasons why some children are more expensive to teach than others. It has nothing to do with private versus public; it is about educational need. So, Minister, if you are going to keep on making the sorts of references you have just made, this debate is going to be a very long one.

Senator CARR (Victoria) (8.04 p.m.)—I share Senator Allison’s concerns about the duration of the matter before the chamber at the moment, given the time of the year and the normal concerns that senators have about these matters. I am sure we can get these
discussions down to a reasonable level. In support of the opposition amendment, I think it is important to make a few simple propositions clear. First of all, the model that is being proposed here is effectively the model that operates within the Catholic education system right now. The Catholic education system allocates its money on the basis of need. It evens out the fees that are charged for some of its more socially affluent schools. There are schools in the Catholic education system that have very low fees and there are others that have quite high fees. It determines that the Commonwealth allocation will be redistributed on the basis of its own indices. It is not an unreasoned position. Therefore, the Labor Party amendment before the chamber is based on sound administrative practice. It works for two-thirds of the private schools in this country.

The minister likes to take a bit of a shot at Senator Stott Despoja, which is, I suppose, a longstanding sport for her. I appreciate that. I have heard these stories before, so she will not mind me repeating some of the stories that I have heard as well. The fact remains that there is a sharp and extraordinary difference in the sorts of experiences available between children who go to Geelong Grammar, and other such schools that charge $18,000, $19,000 and $20,000 per year per child, and those who go to the Catholic education schools that I mentioned before or local state schools. There could be no greater gap in terms of the fundamental inequalities in our society.

When a school can charge that sort of money—and some of the fees I have seen are up to $21,000 per child per year—and provide facilities for boarding pets, you have to ask yourself what is fair about that. That is what is happening in this country at the moment. The sons and daughters of these poor, struggling families have to be able to be provided with board for their guinea pigs, and then they get these colossal sums of money out of the Commonwealth government. I think we are entitled to say, ‘That’s not right; that is just not just.’ I think this amendment is very simple and straightforward. I understand that it has the support of the chamber and I ask that it be carried.

The TEMPORARY CHAIRMAN (Senator Ferguson)—The question is that opposition amendment (1) moved by Senator Carr be agreed to.

Question agreed to.

Senator CARR (Victoria) (8.07 p.m.)—by leave—I move opposition amendments (2) and (5) on sheet 4459:

(2) Clause 14, page 17 (after line 18), after paragraph (l)(a) insert:

(aa) a commitment by the State to give priority in the allocation of funding according to need; and

(5) Clause 31, page 30 (after line 18), after paragraph (a), insert:

(aa) a commitment by the relevant authority to give priority in the allocation of funding according to need;

These amendments follow on from the previous one carried by the chamber and give effect to the broad principles of the distribution of funding across all programs for government schools consistent with the definitions in the previous amendment. They provide for the needs principle to be part of agreements with non-government school authorities. If passed, the amendments would require the needs principle to be part of the formal agreements with school authorities and related accountability arrangements. The principles are expressed in broad terms here. Of course, there are other program initiatives to be taken later in the discussion, which I trust will be carried as the previous amendment was.

Question agreed to.
Senator ALLISON (Victoria) (8.08 p.m.)—by leave—I move Democrat amendments (1) and (10) on sheet 4436:

(1) Clause 14, page 17 (line 25) to page 19 (line 17), omit paragraphs (1)(d) to (p).

(10) Clause 31, page 30 (line 25) to page 32 (line 24), omit paragraphs (d) to (p).

These two amendments are part of a suite of amendments the Democrats are putting forward tonight which go to the question of accountability. It is pretty obvious to this place that this bill should have been debated long before the election to ensure funding certainty for schools and to allow the debate to run unencumbered from time constraints such as we have this evening. The parliament is now faced with the problem that, if this bill were not passed this session, schools would not receive their first payment due in January next year. Somebody who was cynical—certainly not me—might think that this was a government tactic that was deliberately put up in order to curtail debate and put pressure on opposition parties that might want to amend it.

We are opposing many of the accountability measures in this bill, which is a bit unusual for the Democrats—normally we are very keen on accountability. But we think there is another motive here behind what the government wants to do. We also think that it is not the role of the federal government to micromanage government schools. In fact, Senator Vanstone, in March this year you said:

If you want to say to state governments, ‘Where you can’t be bothered doing your job just come to the Democrats and we will try and badger the Commonwealth into doing it,’ good luck go to you. That is not our position. Our position is that the state governments must do their job.

Well, that is not what is being proposed in this legislation. It has a number of conditions that are being set for financial assistance, and we think most of them are unreasonable. Of course, we should not be surprised by this sort of approach. We have seen the same happen in university legislation, where $404 million was tied to such things as the number of members allowed on a university council and universities including a statement about AWAs in certified agreements made after 22 September 2003. That legislation passed and almost a year later the universities are up in arms about the enormous costs involved in implementing the legislative changes and about the increased reporting requirements placed upon them by the legislation—despite Minister Nelson indicating that he would cut red tape in his discussion paper, Higher education at the crossroads. If this bill were to pass unamended we might have a similar revolt from government and possibly non-government schools.

Some of the accountability measures in this bill will also pre-empt decisions from MCEETYA. Obviously the federal minister is having some trouble dealing with the state ministers at MCEETYA. It appears he has decided to try to bypass those processes through this legislation. But we do not believe that those matters, pending a final decision from MCEETYA, should be included as conditions for federal funding to the school.

When I had a look at this bill, I found myself asking: what is the educational basis for these conditions on funding that the government is proposing? It would be very good to hear from the government during the committee stages of this debate on how those conditions will improve the educational outcomes of students, because I would have thought that that was what we should be talking about here.

Another similarity with the university legislation last year is the number of clauses providing the minister with uninhibited control of funding agreements to schools. Any parliament that allowed a minister this level
of discretion over schools funding would not be doing its job. What is wrong with the minister bringing an amendment bill into the parliament if he or she wants to change a provision of the act if one is needed? As we all know, the Senate has already passed two amendment bills to the new Higher Education Support Act because of the very sloppy drafting of the original bill. If there is a need to pass reasonable amendments to legislation, the Senate will not interfere or delay them. But it seems to us that there is no need whatsoever for those provisions that allow the minister unencumbered control over funding agreements, such as in clauses 16(2), 23(2) and 33. I hope the minister is equipped with some arguments and reasons to suggest why it is that those conditions are necessary and how they improve educational outcomes in schools. Perhaps the minister might be interested in enlightening us on those scores.

Senator CARR (Victoria) (8.14 p.m.)—The opposition will not be supporting these amendments because they are in conflict with amendments that we are intending to move on these matters. We will be moving amendments which give reporting educational integrity through a framework of principles rather than the deletion of particular references, as has been proposed by the Democrats. We will be seeking to apply these principles to the entire legislative package and not just particular clauses.

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (8.14 p.m.)—I confess that Senator Allison has me confused. First of all, she threatens that if I freely express my views in here the debate will take a very long time. I can assure her that that is a very serious threat—having to sit here and listen at length to a variety of views with which one might not agree being repeated ad infinitum by way of punishment is a truly frightening experience. On the other hand, when the debate is about something she wants to discuss she announces that she hopes we have some arguments to put forward. I am not really sure what that means, although I deduce it means that if I do not agree with the Democrats I should shut up. So I will make this very brief.

I am surprised that the Democrats want to remove 14(d) from the legislation—that is, a commitment by the state to ensure that school performance information is made publicly available. We could go through all of these clauses and make a joke of getting rid of all of them. I do not think Senator Allison would see the humour. Neither do I think parents would see why we should not be encouraging schools and requiring them to have full and appropriate performance reporting, and to make it public so that parents can make a choice. That is what we think is vitally important. Parents are sick of their kids leaving school not having all the skills that they expect them to have, and they want more accountability from the schools. We believe that the schools should give it.

Senator ALLISON (Victoria) (8.16 p.m.)—I will make some comments about that point. Minister, I think it is reasonable for you to justify some aspects of the bill. It does not seem to be unreasonable in a debate about legislation which introduces new conditions. We are not talking here about conditions that have been around for a while and are being moderately changed; we are talking about new conditions. We are not talking here about conditions that have been around for a while and are being moderately changed; we are talking about new conditions. To take up the point about performance information being publicly available, one of the major problems with the way we approach schooling at the present time is the public availability of information about school results, known in most circles as ‘leagues tables’. This is where schools are compared one with the other in terms of so-called performance.
Usually, it is fairly raw data about outcomes—the number of students who get into university, their entrance scores or some such thing. It does not take into account the number of students, for instance, in the school who have learning disabilities or who come from disadvantaged or non-English-speaking backgrounds.

That is the problem with a system that reports school performance on the basis of student performance. It is very difficult to assess the performance of a school unless you know what that school is dealing with in the first place. There are some schools with enormous disadvantages. I am sure I could bore you for the rest of the night with details about some of the schools I have been into. Most of them do a great job but at the end of the day you probably could not compare them with selective schools or with schools that can exclude students who are difficult to teach. That is why we have suggested that this is not an appropriate condition to set. Leagues tables set one school against the other and make a very competitive environment. No-one has been able to demonstrate that that is educationally worthwhile or helps anybody, apart from those schools that charge higher fees than others. There is no demonstrable reason why so-called school performance information should be publicly available.

I think we should be interested in the performance of schools, certainly, but making it publicly available so that some schools are disadvantaged does not seem to be worth while. Let us give the resources to schools that need to work a bit harder to achieve the goals of schooling. Let us look at the performance of principals, teachers, school committees and whatever you like in schools. I think that is a worthwhile thing to do, but simply publishing leagues tables of the so-called performance of schools without looking at other aspects seems to me to be problematic. That is why we have moved an amendment that would stop that.

**Senator VANSTONE** (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (8.19 p.m.)—The senator’s remarks give a clear indication of the trust the Democrats have in the capacity of normal citizens to make informed choices. The proposition she puts is that it is very difficult to give the public information because they will not know, for example, whether one school has a higher proportion of kids with a learning disability or more kids from a disadvantaged area. She says that without that information these statistics would be hard to interpret. I simply make the point that without any of this information it is impossible to tell. The senator’s proposition is that the information being provided has some flaws. That may be, but her answer to that is to provide no information. That, certainly, is not going to work.

As to whether parents making a choice between schools understand the different intake into one school over another in terms of the level of disability and teaching needs, I think parents do understand the difference between one school and another and they can make a balanced and informed decision. They are comparing two like schools and they want to see how two like schools compare in performance.

As if it is not bad enough that Senator Allison thinks that because the information is flawed we should give them nothing, she then goes on to say that we should be interested. I am not sure who ‘we’ are. I think they are the informed, elite group with which she would identify herself as a member. ‘We’ should discuss it; ‘we’ can have the information. The bottom line of the Democrats is to keep the parents in the dark. That is the top line of our view—shed some light for the
parents. Let them into the debate. Make schools that think there is an explanation for a poorer performance give that explanation to the parents. The schools are entrusted with the parents’ most valuable possession or resource—their kids—and our most valuable resource. Where a school’s standards are not the same as another school and there is a good explanation, let them make it. The answer to give parents no information is a hopeless answer.

Question negatived.

Senator CARR (Victoria) (8.22 p.m.)—by leave—I move opposition amendments (3) and (6) on sheet 4459:

(3) Clause 14, page 18 (lines 30 to 33), omit paragraph (1)(1), substitute:

(l) a commitment by the State that:

(i) appointments of staff in each government school will be made with the approval of the principal, or the governing body, of the school; and

(ii) such appointments will take account of the relationship of the school to the relevant state authority and the need for system wide strategies to recruit teaching staff where there are shortages in particular geographical and curriculum areas;

(6) Clause 31, page 31 (line 30) to 32 (line 2), omit paragraph (1), substitute:

(l) a commitment by the relevant authority that:

(i) appointments of staff in each school or each school in the approved school system will be made with the approval of the principal, or the governing body, of the school or each of those schools; and

(ii) such appointments will take account of the relationship of the school to the relevant school or system authority and the need for system wide strategies to recruit teaching staff where there are shortages in particular geographical and curriculum areas;

These amendments go to the question of providing flexibility for system wide recruitment incentives, especially for hard to staff schools in particular geographical areas, especially isolated regions, and for curriculum areas of shortage such as in maths, science and languages. The amendments recognise that it is the general responsibility of the government school employers—the state governments and the departments—and the school authorities in independent schools to manage teacher recruitment for the benefit of all. If passed, these amendments make it unnecessary to use sectarian references in the bill to bishops, priests and leaders of religious institutions in relation to the funding and staffing arrangements in Catholic schools. Frankly, I could never understand why those references were placed in the bill. It was a matter of some considerable comment during the Senate inquiry as to why references to particular religious clerical authorities were within the bill. I do not believe it is necessary and these amendments make that clear.

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (8.24 p.m.)—Perhaps I could get some clarification. I was looking at opposition amendments (3) and (6), which relate to clauses (14) and (31). I think they relate to the appointment of staff in schools and want to take into account the difficulty of recruiting staff in rural areas. I am a bit lost as to Senator Carr’s arguments in relation to the nomenclature in the bill. That is not what I think is the substance of the amendments. Maybe we are talking about different things.
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I am just trying to establish that we are talking about the same thing.

Senator CARR (Victoria) (8.25 p.m.)—I might be able to assist the minister. These amendments are dealt with in section 31 of the bill under subsection (1):

(i) appointments of staff in the school or each school in the approved school system will be made with the approval of the principal, or the governing body, of the school or each of those schools; and

(ii) in the case of a Catholic school, such appointments will take account of the relationship of the school with the bishop, parish priests and the leadership of religious institutions;

The point of the Labor Party’s amendments is that there needs to be an understanding of system wide employment practices, particularly where there is a need for system wide recruitment incentives, especially for hard to staff schools. Our amendments mean that you do not require reference to particular religious orders in legislation. I do not believe that has ever occurred before. These amendments make it clear that it is unnecessary and make the reference to bishops and priests in an education bill redundant.

Senator ALLISON (Victoria) (8.26 p.m.)—On that point, it might be worth asking the minister: why was the Catholic sector singled out in the bill? Why were Jewish or Muslim schools not singled out? What is it about the Catholic sector that makes this necessary?

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (8.27 p.m.)—We all understand the importance of the Catholic education system. Senator Carr was at pains to point that out in earlier debates. The advice that I have is that, especially in some of the more remote places, the local bishop or priest may well have some involvement. This part of the legislation does not single out anybody; it is just recognition of a fact. The Catholic system is a very important part of the education system in Australia and I am advised that it is a fact that those people to whom we refer may have this particular involvement and there is no harm in mentioning them.

Senator CARR (Victoria) (8.28 p.m.)—The fact remains that in the non-government school system there are religious schools, or schools that have a religious affiliation, of many different types. In Aboriginal communities, for instance, there are Lutheran schools. There are various other denominations. There is not one particular religious denomination. There are Jewish schools, which have a different religious affiliation and there are many other different types. I think there are even Hare Krishna schools in the system—why do we not have a reference to their authority structure? I am suggesting that it is inappropriate to mention one particular denomination no matter how important or valuable, and no matter how much it is the true faith. It should not be in the bill in this form and I have never heard any evidence to suggest why it should be in the bill, other than that the government thinks that because the Catholic system makes up two-thirds of the private sector it should get special mention. The bill does not require that. In the normal practice of this place we do not single out particular religious groups in a generalised bill of this type, which is to accommodate the needs of many millions of Australians.

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (8.29 p.m.)—I have just a couple of points. There are different funding arrangements for the Catholic school system; that is well understood. There are differences; there
is no point in not referring to them. I do not see any harm here. I doubt that the different funding arrangements that were agreed with the Catholic school system are regarded by Catholic schools as singling them out—quite the opposite. This is just an acknowledgement of the fact that a significant proportion of the private school education in Australia is done in Catholic schools. Senator Carr may believe it is the one true faith. He was not with me last night at the 60th anniversary of the Executive Council of Australian Jewry, who are keen to refer to both Muslim and Christian religions as their ‘daughter religions’.

We could all have a debate about who is the Johnny-come-lately in religion. My personal view that arguments about dogma do not serve any particular god are well known, so let us not bother having them here. But if you are interested in these matters, Senator, I can highly recommend the book I am reading at the moment: *The Eastern Origins of Western Civilisation*, including the chapter ‘The West was last: oriental globalisation and the invention of Christendom, 500–1498’, which you might be particularly interested in. Nonetheless, the Catholic education system does a tremendous job in Australia and is a very significant part of the private school education system. We do not see any harm in this. If you have an alternative, why do you not put it and we will vote on it?

**Senator CARR (Victoria) (8.30 p.m.)**—We will, Minister, in due course. But this has nothing to do with the value of Catholicism. This is not a debate about the value of any particular religion—

**Senator Vanstone**—You just said it was the one true faith.

**Senator CARR**—No, you are the one who has drawn attention to this matter. All I say is that if you are going to refer to a religious denomination, no matter how valuable it is, then you ought to refer to them all. Why specify one? I ask again: where does the draftsman come to this conclusion? Is it part of the draftsman’s instruction to exclude all other denominations? This is a clause that goes to the question of employment practices. I think that if you are going to include reference to one particular denomination, you must include reference to them all. Alternatively, accept our words and it will not be necessary to do that.

**Senator ALLISON (Victoria) (8.31 p.m.)**—I am puzzled by the minister’s earlier response that Catholic schools might take into account the opinion of the priest. The explanatory memorandum says:

... in the case of Catholic schools this will take account of the relationship with the bishop, parish priest(s) and the leadership of religious institutions ...

Why is this necessary? There is the question of Catholics being singled out; but there is the other question about the statement that such appointments will take account of the relationship. Why is it necessary? How does the government intend to monitor and get compliance with this requirement to take account of this relationship?

**The TEMPORARY CHAIRMAN (Senator Ferguson)**—The question is that the amendments moved by Senator Carr be agreed to.

Question agreed to.

**The TEMPORARY CHAIRMAN**—The Greens’ amendments were circulated late and do not appear on the running sheet. However, I think we should consider them in chronological order. I call Senator Nettle.

**Senator NETTLE (New South Wales) (8.33 p.m.)**—My apologies. I have been attending a hearing of a committee that is meeting at the same time as the Senate. There will be no granting of leave for that in future! I understand that Greens’ amendment
(1) deals with almost identical issues as Democrat amendment (1) whose issues have already been debated, so I am happy not to proceed with amendment (1). I move Greens’ amendment (6) on sheet 4461:

(6) Clause 31, page 30 (line 22) to page 32 (line 25), omit paragraphs (c) to (q).

Having just walked into the chamber, I am going to have to let somebody else speak before I make my contribution on our amendment.

Senator CARR (Victoria) (8.34 p.m.)—To facilitate the work of the committee, I indicate that the opposition will be opposing this amendment. We do so on the basis that it is in conflict with the amendments we will be moving ourselves and that they are very similar to the Democrat amendments that have already been moved.

The TEMPORARY CHAIRMAN (Senator Cherry) —The question is that Greens’ amendment (6) be agreed to.

Question negatived.

Senator CARR (Victoria) (8.35 p.m.)—by leave—I move opposition amendments (4) and (7) on sheet 4459:

(4) Page 19 (after line 21), after clause 14, insert:

14A Principles for reporting on students’ learning and school performance

For the purposes of subsections 14(1) and (2), including but not limited to the reporting requirements in paragraphs 14(1)(c), (d), (e), (n), (p) and (r) and related paragraphs 19(3)(d), (e) and (f), the agreement must include reporting on students’ learning and schools’ performance that is consistent with the following principles:

(a) reporting by schools to parents and to the community must always be in the educational interests of students;

(b) information from school reports is to provide assistance to schools and to teachers to inquire into students’ learning needs and to develop teaching programs for those students;

(c) reporting by schools on students’ learning must include a comprehensive range of information of related factors that includes:

(i) the total resources available to each school from all sources;

(ii) enrolment policies and practices, including information on the enrolment of indigenous students and students with disabilities;

(iii) student admission and exclusion policies and practices;

(iv) qualifications and accreditation standings of teaching staff;

(v) curriculum offerings at the school; and

(vi) policies and programs for student discipline and welfare, anti-bullying and child protection;

(d) the content and format of school reports are to be developed following consultation with parents and school community organisations.

(7) Page 32 (after line 28), after clause 31, insert:

31A Principles for reporting on students’ learning and school performance

For the purposes of section 31, including but not limited to the reporting requirements in paragraphs 31(1) (c), (d), (e), (n), (p) and (r) and related paragraphs 36(3)(d), (e) and (f), the agreement must include reporting on students’ learning and schools’ performance that is consistent with the following principles:

(a) reporting by schools to parents and to the community must always be in the educational interests of students;

(b) information from school reports is to provide assistance to schools and to teachers to inquire into students’
learning needs and to develop teaching programs for those students;

(c) reporting by schools on students’ learning must include a comprehensive range of information of related factors that includes:

(i) the total resources available to each school from all sources;

(ii) enrolment policies and practices, including information on the enrolment of Indigenous students and students with disabilities;

(iii) student admission and exclusion policies and practices;

(iv) qualifications and accreditation standings of teaching staff;

(v) curriculum offerings at the school; and

(vi) policies and programs for student discipline and welfare, anti-bullying and child protection;

(d) the content and format of school reports are to be developed following consultation with parents and school community organisations.

These amendments deal with the same questions that have been dealt with previously by the Democrats and the Greens on the question of accountability. These amendments, however, provide for a broader framework. They allow for the educational integrity of reporting and accountability provisions in the bill to be strengthened and are based on that fundamental principle that the purpose of accountability is to improve student learning.

The amendments also establish a range of information that should be made available to access the validity of school performance, increased resources, teaching staff, curriculum and student welfare programs. They also establish that parents as well as teachers should be involved in the design, content and format of reporting to parents and the community. All of us here who are parents will know the frustration of trying to read a school report. As a former teacher, I also know the frustration of having to write them and know that many of the reports do end up looking much the same, irrespective of the performance of students. I do think there is a legitimate case for the Commonwealth to seek to provide some assistance in this matter by specifying areas in which reporting should comply and where there should be improvements in the formatting of reports. But, finally, the decision about the structure of reports ought to rest with the school community and come out of discussions between teachers and parents on the content and formatting of such reports so that they are meaningful for people who have to read them. It is my experience that that is not always the case at the moment.

Senator ALLISON (Victoria) (8.37 p.m.)—As another former teacher, I concur with everything Senator Carr has said about reports. When you are onto your 220th or so report at the end of the term they start to sound a bit the same. Having said that, I would say that the government have made a lot of this whole question of plain language. They have complained that reports to parents are unintelligible and do not tell parents what they want to know. I have not heard any of those complaints myself. I raised this, for instance, with an organisation of parents called the Australian Council of State School Organisations. I asked them if they had a problem with the way school reporting is being done. They said that they did not. Maybe they are not representative of parents after all—I do not know. It would be useful for the minister to give us a bit more detail about why the government have come up with this notion that parents are unhappy with reporting.

I remember the bad old days when reports just gave you a mark out of 10 and put you in rank order of the rest of the class. Quite a lot of changes have been made in recent decades
to be a bit more descriptive in the reporting that is given to parents. I would have thought that most of it was pretty much plain language. It can be quite easy to slip into jargon when you are trying to do a descriptive report when you have 250 or so kids to report on if you are in a secondary school. It is not always easy to say something scintillating and interesting, plain language or otherwise, by the time you get to the end of reports for 250 or so kids. As I say, this is not an issue that keeps coming up from the people I hear from. I do not think I have had a single letter from a parent saying, ‘I’m fed up with not getting plain language reports from the school.’ The government obviously have another perspective and another group of people who write to them urging that this be done, but it has certainly not come to my attention.

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (8.39 p.m.)—Senator Allison condemns herself from her own mouth in telling the world that she is just unfamiliar with the view that parents want more information about what is happening with their children in schools. Her proposition is that they are quite happy—that she has asked them and they have said, ‘Yes, it’s fine.’ We are obviously talking to different people. Nonetheless, I am not sure that the senator’s remarks were on the point that I think we are discussing—which is the addition of 14A after clause 14; that is, amendment (4) proposed by the opposition. That amendment highlights the difference between us. It says that ‘information from school reports is to provide assistance to schools and to teachers’—yes, let us provide it to the schools and the teachers; the little club. We want it provided publicly to the parents. We have already established that Senator Allison is happy to keep the parents in the dark. She does not want the information made public. She uses the royal ‘we’—‘we’ can all talk about it but that there is no need for the parents to have that information.

Paragraph (b) of the amendment says that ‘information from school reports is to provide assistance to schools and to teachers’. Paragraph (c) deals with some matters that we will deal with by negotiation, and then subsequently by regulation—so there is plenty of opportunity for people to have their say out in the sector as well as in this place on another occasion. It is worth pointing out that the Labor Party amendment wants reporting by schools on students’ learning to include a ‘comprehensive range of information of related factors that includes’—I think it should be ‘include’; I could be wrong—‘the resources available to the school, the enrolment policies of the school, student admission and exclusion policies, qualifications and accreditation standings of teaching staff, curriculum offerings at the school, and policies and programs for student discipline’.

Again, it is all about the school and the teachers and not about the outcomes. This is about inputs; it is not about what happens at the end—what they produce. Parents are sending their kids to school and they want to know what is happening. They want to judge the performance of the school. When they are putting an effort in or putting their most valuable resource there they do want a bit of competition. They want to be sure it is working. In one sense you might say that the inputs and policies are not something they want to debate—that is for specialists. They want the information on what is happening as a consequence of that debate. What are the outputs from the school? The Labor Party is all about schools and teachers and inputs; we are all about parents and students and outcomes.
Senator CARR (Victoria) (8.42 p.m.)—
The minister seeks to belittle the Labor Party’s amendments—

Senator Vanstone—Not belittle; just disagree with—that’s all.

Senator CARR—Disagree with them then. The minister has a perverse view about what makes up a school community. She seems to think that the school community excludes the school. The government excludes the parents to the extent that they will be told what it wants them to be told. It will not involve their analysis. It does not appreciate that school communities are made up of at least three elements directly: students, teachers and the educational authorities that go with them. I would say that the fourth element is the community at large, because these are organic institutions within our community.

The Labor Party’s amendments add to the proposals which are outlined in the government’s amendments under clause 14. They go to a whole range of so-called inputs, as the minister seeks to deride them, to the provision of services by the state, to whether or not the national consistency benchmarks have been met and to the systemic policies of the education system. The minister is not immune under her own bill from the criticisms she makes of our amendments. What she fails to appreciate is that the Labor Party’s amendment in paragraph (d) makes it quite clear. It states:

... the content and format of school reports are to be developed following consultation with parents and school community organisations.

The minister’s complaint that we are leaving parents out of the reports is just not valid based on the black and white words contained in the amendments before the chamber at the moment.

We say that the purpose of reporting is not to belittle people. It is not to set people up in rank order, to set up leagues tables and the like. It is not to be used as a competitive device, as a marketing instrument, as if education was some sort of commodity that could be listed on a stock exchange. It is about advancing the educational interests of students. That is the first criteria. The second is about providing information to assist schools and teachers to actually improve performance in developing teacher programs and meeting the learning needs of students. They are quite explicitly stated, in our amendment, as the purpose of the evaluation—to use the bureaucratic language which the minister is probably more familiar with. If we had ‘key performance indicators’ would she be happier?

The point is that this is an education debate. It is not a bureaucratic exercise; it is trying to provide a legislative framework for the expenditure of the better part of $32 billion worth of public moneys. The government has said that it wants the issue of reporting to be at the centre of that discussion. That is fine with us; we are happy with that. We are saying, however, that your focus is too narrow. The framework in which you are looking at these questions is far too narrow, and we want to broaden it. We want to actually bring parents into the determination of what goes into these reports. The minister is very good at denigrating other senators in terms of their personal life experiences, so she would know about the current situation with school reporting. The fact remains that the process is inadequate. Any parent can tell you that it is inadequate. The response, however, is what is now under debate. Senator Allison can speak for herself, but what I am saying across the chamber to you, Minister, is that the present arrangements need reform but that the government’s proposals in that regard are inadequate. That is why we are urging the chamber to carry our amendments in order to provide a proper framework,
which is lacking in the government’s programs.

The government says, ‘We don’t carry on with all these matters because it is up to negotiations.’ We know what this government means when it says ‘negotiations’: it determines a position and directs the states to accept it. It is an extremely centralised, authoritarian approach that has now been adopted by this minister—it makes DIMIA look like an extraordinarily libertarian outfit.

Senator Vanstone—As we are!

Senator CARR—I hope under you, Minister, it changes. Under Mr Ruddock it became an extremely authoritarian outfit, and this is the way Education is going as well. It is matter of some disappointment to me that that is occurring.

Senator ALLISON (Victoria) (8.47 p.m.)—I keep having to get to my feet, forcing myself to respond to the minister’s outrageous claims. Someone who did not read the amendments or know what was in the bill would seriously think that we were not interested in good reporting to parents. I make the point, as I did before, that parents do not come to me en masse—not even one, that I can recall—complaining about the reporting of their students’ performance. Having said that, I think it makes absolute sense for there to be a good framework in place, and that is why the Democrats are prepared to support this amendment. But it needs to be pointed out, in case anyone reads the Hansard and not the amendments themselves, that Senator Carr’s amendments do indeed involve the parents. No-one is saying that they should not be involved—that is the last thing we want to see. But they should be given a full picture. The government is not really interested in that. It wants plain language and a narrow focus: let’s get back to the bad old days of ranking students amongst their peers—one out of 10 or 10 out of 10.

I think that is really what this government is on about. It does not want to know about the resources available within each school. It does not want to know about discipline, welfare, antibullying programs, child protection and so on, which are written into these amendments. I think they are good guidelines for schools and that schools and, for that matter, state governments would be willing to work with them. The minister is too ready with criticisms, too offhand and altogether too ready to put her own interpretation on what is being said. Usually it is wrong, as it is in this case. I sometimes think we should read out the entire amendment so it is clear to everybody what we are talking about, rather than the government or the minister’s very narrow criticism of this amendment.

Question agreed to.

Senator ALLISON (Victoria) (8.50 p.m.)—The Democrats oppose clauses 15 and 32 in the following terms:

(3) Clause 15, page 19 (line 22) to page 20 (line 12), TO BE OPPOSED.

(11) Clause 32, page 32 (line 29) to page 33 (line 19), TO BE OPPOSED.

These are, again, about student reporting. I covered the arguments for these proposals in my general remarks.

The TEMPORARY CHAIRMAN (Senator Cherry)—The question is that clauses 15 and 32 stand as printed.

Senator NETTLE (New South Wales) (8.51 p.m.)—I take this opportunity to put on record the Greens’ contribution on this issue of reporting or league tables. These clauses seek to impose reporting requirements that already exist to some extent in the states. More importantly, there is the requirement for schools to make public the content of the reports. This seems to give effect to the government’s desire to impose performance or league tables for schools. The Greens oppose this concept. We support the provision of
information about students’ performance in schools but we see the simplification of these stories and their publication as damaging to the reputation of schools, their staff and their students. These kinds of performance or league table are not accurate guides to how a child might perform at one school as opposed to at another. The necessary simplification of the data implies a false baseline by which all schools are judged. They show outcomes not improvements, so schools whose students suffer more than average disadvantage are often shown as poor performers when in fact the staff are working miracles in difficult circumstances.

The real concern that the Greens have is that this simplistic competition data that this clause will provide for will be used by policymakers to indulge in populist meddling in school funding, with schools who rate lower on the table getting punished when in fact they deserve congratulations and support for the hard work that they do with the disadvantaged students that are in their school. The history of this measure when it has been applied has shown this to be the outcome in the United Kingdom, and schools have been closed in the United States as a result of these league tables or performance tables being published in the public arena. Rather than kids who needed help and their teachers being supported, they were stigmatised as a result. It is micromanaging of the reporting systems that already occur in schools whereby schools are already seeking to standardise them and to make them simpler for parents. It is micromanaging and a real stick approach to the way in which schools receive their funding. This is an approach that certainly I have seen before in the higher education legislation that has come before the parliament in which the government has sought to say, ‘If you do not impose our particular views as to industrial relations’—or whatever it may be—‘we won’t provide you with the funding.’ This piece of legislation is riddled with those things.

The clauses that we are dealing with at the moment relate to a government view that, if the information is not provided and put forward in the public arena in the way in which the government would like it to be, these schools will not get their funding. It is not the federal government’s job to make those decisions. The schools are regulated at a state level. They are working towards doing things in a consensual manner with other states, and that would be an approach that the federal government could take. But instead they have gone for the barging through approach in this legislation: ‘You don’t get your money if you don’t do what we want.’ That is not a way to run schools policy. The Greens are not supportive of this kind of approach in general, as equally we are not supportive of the proposal for league tables that is being put up.

I remember when a Murdoch newspaper, the *Daily Telegraph*, ran a series of stories on the front page about the HSC results of a particular school in New South Wales, a school in south-western Sydney. The claims that they made had a really significant impact on the students and on the staff, who were doing a fantastic job with kids who were in a really disadvantaged area to try to ensure that they got a high-quality public education. As for the impact of the publication of that ill-informed information about the HSC results that the school had received, which were interpreted by people who were not educational specialists—they were journalists writing for the front page of the *Daily Telegraph* and the results were interpreted in a way in which that information was not designed to be interpreted in the public arena—the consequences for the school and the whole local community were absolutely catastrophic. I remember it. My mother was working at the time as a counsellor in the
local area. All the local counsellors were called in to deal with this and to provide counselling to the students about the implications of the publication of this information, which was not designed to be published in that way and had a significant and detrimental effect on students.

In fact, years later students from that school wrote about the consequences of that experience. Subsequently, action was pursued against the *Daily Telegraph* through the courts or the Australian Press Council—I do not recall which it was—and they admitted that was wrong: ‘We shouldn’t have done that.’ But it was too late for those students who had had their picture, their school and their HSC results plastered all over the front page of this widely read newspaper and whose self-esteem had been absolutely gutted as a result of the insensitive actions of people who took accurate information and interpreted it in the wrong way.

The publication of league tables is the same proposal. It is taking people’s results out of context, putting them in the public arena and asking people—people who have not had any training in or who do not have any understanding of how to analyse these results—to acknowledge that this school in south-western Sydney has a large proportion of children who come from a low socioeconomic background. They have got responsibilities in dealing with the needs of these young people. The minister is over there looking bored and making insolent little gestures like a young child in a playground whilst I explain the feelings that these students had, which impacted on their lives years later, as a result of the publication of their educational results. The minister is proposing in this bit of legislation, in these clauses we are dealing with right now, to do the same thing to Australian public and private school students across the country. Publishing their results in a way which is not appropriate, in a way in which they can be interpreted and misconstrued by a whole raft of members of the community, is not right and is not fair to those students.

I know, through hearing about the experiences of those students, what the consequences were for their mental health, and I do not want to see those consequences recur. That is why the Greens do not support these league tables. When such league tables were introduced in the United Kingdom, it saw schools like the one I am talking about close down. Those schools had their funding stopped. This legislation is about saying, ‘You don’t get your funding if you don’t pursue a course of action.’ It has been tried in Australia and it did not work. The consequences were huge. The counsellors for the department of education in that area were run off their feet dealing with the consequences of this, not just for the time immediately afterwards but for years later. I do not want to see that again, so we will not be supporting these clauses.

Question agreed to.

**Senator ALLISON** (Victoria) (8.59 p.m.)—by leave—I move Democrat amendments (4) and (7) on sheet 4436 revised:

(4) Clause 16, page 20 (lines 28 to 30), omit subclause (2).

(7) Clause 23, page 26 (lines 4 and 5), omit subclause (2).

Democrat amendments (4) and (7) remove the two clauses in this bill which allow the minister to make other conditions as he or she thinks appropriate in relation to the financial conditions that might be set for schools. We cannot see the point of spelling out conditions and then having a final one that says that the minister can do anything he or she likes anyway. In fact, there are a number of these throughout the bill which we have opposed. We think that, if the government wants to set extra conditions, it ought
to come back to the parliament and make it clear what they are and allow the parliament to debate that and make a decision one way or the other. These conditions might mean anything. This is pretty much an open cheque. This is pretty much saying to schools: ‘Watch out! The minister doesn’t need to get permission from the parliament to do this.’ I can imagine all sorts of threats being levelled at schools or at teachers or at school principals—or at anybody else, really—and there is no need for there to be such an open-ended opportunity for the minister to change whatever he or she wants to change. In fact, the minister might be able to tell us why this is necessary—what sorts of conditions might arise that have not been thought about thus far and why such broad, wide-ranging powers are now necessary.

**Senator VANSTONE** (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (9.01 p.m.)—Senator Allison invites me to comment as to why such wide-ranging powers are now necessary. My advice is that this particular power has been in the bill for some three or four years and is just a repetition of an existing power. It is not new. It is not now necessary; it has been necessary for some time. I will not say any more than that, except to say that I have been slightly brutalised by this debate: I had the good grace not to mention that the senator could not get herself here to move her own amendments, I had the good grace to listen quietly to what she was saying and got a slap on the knuckles for making what the senator thinks are insolent gestures. There is a degree of authoritarianism coming from that end of the chamber that, were I not an adult, would frighten me.

**Senator NETTLE** (New South Wales) (9.02 p.m.)—I want to make a contribution on the issue of flagpoles. Chair, I do not know if you were in the chair when I came in but, because the Australian Greens and Democrat amendments were circulated later, we do not seem to be slotting them into the running sheet as we are going.

**The TEMPORARY CHAIRMAN** (Senator Cherry)—They are on the running sheet I have in front of me.

**Senator NETTLE**—We must have different running sheets, because they are not on mine. If you assure me that they are coming up later, I will deal with the matter later rather than talk about it now.

**The TEMPORARY CHAIRMAN**—Yes, they are.

**Senator NETTLE**—I will just deal generally with what these clauses relate to, which is the issue of flagpoles. In my speech in the second reading debate I mentioned this myopic view of patriotism which the Howard government has, which is about bringing in flagpoles and forcing people to display their patriotism in that particular way. This catch-all clause enables the minister to insist on flagpoles, amongst other things. Flagpoles are the example we know and hear talked about, but the clause does allow the minister to insist on a range of other things as well. It is really nothing more than a carte blanche for the minister to attach whatever political, cultural or economic barrow the government wants to push to a bill which is essentially about the funding of schools. If the government wants schools to have flagpoles or sing the national anthem then it should seek to have these proposals debated and taken up by, and with the cooperation of, the states. The point with all of these strings-attached clauses is that this government is in denial about the constitutional limitations regarding the regulation of schools. The simple fact is that schools are administered by the states and, whilst there may be compelling arguments for greater harmony between the vari-
ous state school systems, imposing such regulations via funding bills is simply an authoritarian and arrogant approach to public policy.

I do not have it with me at the moment, but I received from a constituent a copy of a letter that had been sent to their school in northern New South Wales from their local coalition member about this particular clause in the bill and about the flagpoles being erected. It dealt specifically with the ceremonies that were required to take place at the opening event for the flagpoles, where there would be appropriate acknowledgment to the government about the flagpole having been put in place. The letter outlined that the local government member was to be invited to the school for the opening ceremony for the flagpole and if the local member could not be present then a coalition senator was to be invited along to the opening ceremony. This letter has been on my mind for the last couple of days, particularly last week, when we were talking about the grants to regional programs whereby there were requirements for certain people to attend or not attend the function or the opening of the event.

I recalled this letter that I was sent by a constituent in which the school was told that the local coalition member needed to be there for the ceremony when the flagpole was acknowledged by the school and if they could not be there then a coalition senator would be sent along. I only know of the one example because I have only been sent the one example from a constituent. I would be interested to hear from the minister about whether coalition members have been directed or have taken it upon themselves to send out information to local schools to say: ‘Not only will we not give you funding if you don’t have a flagpole but, when you have an appropriate ceremony to acknowledge the flagpole the federal government has given you, you need to invite a government member along. If, for example, you do not have a coalition member as your local member then you need to invite a coalition senator along.’ I would be interested to hear from the minister about whether that is the way in which the government intends to implement this particular bit of the legislation. All I can assume is that, yes, that is the case, because that was the letter that was sent to this school in northern New South Wales. It could be an anomaly, I do not know, but I would be interested to hear from the minister.

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (9.07 p.m.)—I will pass on your delightful invitation to comment on a letter that you have not got and that I have not seen.

Senator NETTLE (New South Wales) (9.07 p.m.)—Perhaps the minister could let me know whether it is standard practice for coalition MPs to send letters to local schools saying that they must acknowledge the coalition government in a ceremony to open a flagpole at their school.

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (9.07 p.m.)—I just indicated to you that I have not seen the content of the letter that you do not have in the chamber and to which you refer. I am not the master of what people do in the lower house and I do not intend to make myself terribly au fait with what they do as members. They are all adults. They are all elected by their respective constituents. They will behave as they will and will be judged by the public.

I will say this, though: it is a bit galling sometimes to be invited along to the opening of some school addition for which the Commonwealth has paid something like three-
quarters of the money, maybe even all of it—
I cannot remember the exact proportions—
only to find that the opening is being con-
ducted by a state government, which has
contributed very little, and during the time
federal parliament is sitting. You may not
care about that, but governments from time
to time have an interest in that sort of thing.

Question negatived.

Senator ALLISON (Victoria) (9.09
p.m.)—The Democrats oppose clause 33 in
the following terms:
(12) Clause 33, page 33 (lines 20 to 22), TO BE
OPPOSED.
This is a similar amendment to the ones we
have just dealt with; it is just that it takes out
a whole section, which says that agreements
may also include any other provisions that
the minister thinks appropriate. Again, I
would argue that, if there are conditions that
need to be put in by the minister, it is reason-
able that they come back through the parlia-
ment.

The TEMPORARY CHAIRMAN—The
question is that clause 33 stand as printed.

Question agreed to.

Senator NETTLE (New South Wales)
(9.09 p.m.)—I withdraw Greens amendment
(4).

Senator ALLISON (Victoria) (9.10
p.m.)—by leave—I move Democrat amend-
ments (2), (5), (6), (14) and (15) on sheet
4436 revised:
(2) Clause 14, page 19 (line 19), omit “19.”.
(5) Clause 19, page 22 (lines 1 to 11), omit
paragraphs (1b), (c) and (d).
(6) Clause 19, page 22 (line 27) to page 23 (line
8), omit paragraphs (3c), (d) and (e).
(14) Clause 36, page 34 (lines 28 to 34), omit
paragraphs (1c) and (d).
(15) Clause 36, page 35 (lines 17 to 30), omit
paragraphs (3c) and (d).
This is the final group of amendments that
go to special conditions. I will not speak any
more about these amendments. The ALP
have indicated they are not going to support
them.

Question negatived.

Senator NETTLE (New South Wales)
(9.10 p.m.)—I withdraw Greens amendments
(2), (5), (7) and (10). These amendments deal
with league tables. We have already dealt
with this issue with the Australian Democrat
amendments, so I am quite happy to with-
draw these amendments.

Senator ALLISON (Victoria) (9.11
p.m.)—by leave—I move Democrat amend-
ments (8) and (9) on sheet 4436 revised:
(8) Clause 30, page 30 (after line 11), at the end
of the clause, add:
(6) The Minister must not authorise pay-
ment to a State under this Act for a
non-government school if the school
charges school fees for a level of edu-
cation, the amount of which exceeds
the amount of the AGSRC for that year
for the same level of education.
(7) For the purpose of subsection (6), a
school fee is the fee payable to a non-
government school by a person en-
rolled with, or applying for enrolment
with, the school, to provide education
at that school for one year.
(9) Clause 30, page 30 (after line 11), at the end
of the clause, add:
(8) The Minister must not authorise pay-
ment to a State under this Act for a
non-government school if:
(a) the school was added to the list of
non-government schools within the
last 2 years; and
(b) the school has not been approved by
the State or Territory Government
where it is located.
These amendments would mean that the
minister would not make payments for non-
government schools if that school charges
school fees for a level of education, the amount of which exceeds the AGSRC for that year for the same level of education. In other words, a school that can charge fees at or above the AGSRC would not receive government funding. As I mentioned in my speech in the second reading debate, Louise Watson’s report found 27 per cent of private students, in a survey of 1,000 private schools, attend schools where the income from tuition fees alone exceeds the average resources per student in government schools. We would argue that it is very difficult for government schools to compete with non-government schools that have resource levels far above their own. We do not believe it is the role of the federal government to be funding schools operating with such high levels of resources.

In our view, public funding ought to go to the schools that need it in an educational sense. This is a fairly simple way of determining how funding should be provided. No doubt the minister will say that all those parents pay taxes and should be entitled to government subsidies. No doubt there will also be the arguments about struggling parents. But we would argue that schools that have, just by virtue of fees alone, that sort of income are bound to also have other levels of income, which puts the amount of money available to those schools to spend on the education of the children at those schools way above that which is available to other schools. At the end of the day, our funding principles for schooling should seek to provide equal opportunities for students. The best way to do that is to minimise the enormous differences in resources that are available to schools.

Senator CARR (Victoria) (9.14 p.m.)—I indicate that the opposition strongly oppose these measures. We take the view that there should be a basic grant for schools operating from fees alone above the national standard. We say that the effect of this amendment would be to remove all public funding from schools operating from fees above the AGSRC, which is about 40 per cent lower than the national standard that the Labor Party argued was the appropriate benchmark. That was the measure we took to the last election. We make the point that many more schools in fact are operating above the AGSRC from fees alone than operate above the national standard that was set in terms of the Labor Party’s position in the last election campaign.

Having said that, I think it is also important to point out that the AGSRC is a flawed measure if one is to use it as an instrument for the setting of a funding standard. It has been criticised widely in many different quarters as a basis for funding. I understand that it is the favourite instrument of the states. I appreciate that. The last MCEETYA papers that I saw on this highlighted the states’ very strong commitment to the AGSRC. My recollection is that the indexation rate that the government uses for the funding of schools programs is running at in excess of eight per cent at the moment. That figure of in excess of eight per cent compares with around 1.8 per cent for the TAFE system and around 2.3 per cent for the higher education system. A number of different indices operate within the education department at the moment. From memory, I think there might be six or eight different funding instruments in terms of the various indexation rates that apply. So there is no set figure that has general agreement as being an objective measurement of increases in costs for schooling let alone an instrument for the measurement of the costs of schooling.

If we take the AGSRC, it averages out the state expenditure for all needs including the higher cost of students with special needs, Indigenous students and students from the various other targeted equity groups. It is not
valid to compare the cost of those students with the expenses that are incurred for education in the private system. Many of those private schools of course are able to operate with a much more finely honed selective intake policy. So the AGSRC is not a comparison that is valid for the education of students in the non-government sector. At the same time the AGSRC is measured on a cash rather than on an accrual basis. It does not include legitimate items such as superannuation. So as a measure of funding it is flawed on many different accounts. As a measure of indexation it is a politically convenient figure which has been used for many years by states and territory governments and by the Commonwealth. That is why we have a situation now where we are spending more money on non-government schools than we are on universities. This particular indexation method has meant that we are now seeing on a compound basis increases in grants of in excess of eight per cent. It compares with other sectors of the education system which are being funded at much lower levels.

I would argue on a number of different counts that the AGSRC is not an appropriate instrument for determining basic needs of schooling. It is not an adequate instrument in my opinion as a method of selection of indexation and it is not a measure on which we could determine that the resourcing of schools is adequate to meet the national goals of schooling. In terms of the absolute numbers the figures that have been published in this bill draw to our attention that the average cost is $6,580 for a primary student for 2005 and $8,595 for a secondary student. Frankly, I do not believe that that is an adequate figure to meet the appropriate standards for education in this country and it would be inappropriate for this chamber to accept such a proposition as is being suggested by the Democrats. It would be unduly harsh and counterproductive to the objectives that I think Senator Allison would argue for—and certainly that she has advocated for many years here.

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (9.19 p.m.)—I will just make two points about the two propositions being put here, one of which is that any school that charges fees over the AGSRC should not get any funding. We have a fundamentally different view. We say that, if parents by their own endeavours want to pool their resources and send their kids to a school where the fees are above that, we should not say to them, ‘Your aspirations for your children are such that we think you can afford to go it alone.’ We think that all Australian kids are entitled to some level of government support in the choice of education. What the parents add to that is up to the parents but they are entitled to some contribution. This proposition is more of the stuff we expect from the Democrats of the lowest common denominator: ‘Once you get more than that you are on your own; we are not interested in you and your kids any more.’ These comparative indicators do all have their flaws. In part I agree with some of what Senator Carr has said—not all, and I put that qualifier on it very quickly.

Senator Carr—Do you think I would ever quote you?

Senator VANSTONE—No, I think you would be too embarrassed. But you might sink to that level one day. Hard times might strike you. I see that you laugh at this proposition, and I find it pretty humorous myself, but never mind.

Our basic proposition is that we believe that every Australian child deserves a contribution. The states make very significant contributions to kids who go to state schools and
we make contributions for the kids that go to private schools. We do not see why we should withdraw our contribution for kids whose parents have either been just lucky or are prepared to work hard and pay higher than the AGSRC to send their children to a private school with a view to their children getting better opportunities.

As to the other limb to this, that no funds will go to a new school unless the placement of the school has been agreed by the state government, Senator Allison, you might like to help me, but I can assure you that nothing you say will change my mind in this respect. If a private body want to set up a new school and we want to give them support, what business is it of the state governments as to where they put it? With respect, Senator, I think this amendment is just an encouragement for states to place private schools where they want them. If the states want schools in particular places, the states can put them there. Where a private school chooses to place itself seems to me to be very little of the business of the states since they make very little contribution to it.

Senator ALLISON (Victoria) (9.22 p.m.)—Firstly, I acknowledge Senator Carr’s criticism of the AGSRC and I acknowledge that it is certainly a flawed mechanism for determining or even understanding the level of funding for government schools. But, sadly, we are left with very little else by way of measuring what is reasonable and what is not. Certainly, the SES funding model does not work—it is inequitable. So it is a best attempt and one would hope that, should this be supported, the government would look at the adequacy of funding of government schools. If parents are saying, ‘We’ll shell out a bit more to get a better education for our children,’ then something must be wrong with the level of resources that is available to schools on the basis of the AGSRC.

The other point I would make, Minister, about the states approving the location is a pretty obvious one and that is about wasted resources. It is about the states being involved in the location of schools and I do not see a problem with that. If a school is not needed in a particular location, perhaps because the state plan to put a school there themselves or because it would threaten the viability of government schools or even other non-government schools, I think it is reasonable for state governments to be involved in that decision. The ALP used to talk about this. I do not know whether they are still interested in this question of the location of schools and whether they think schools should bob up willy-nilly all over the place regardless of whether the state or territory government thinks it is wise. It seems to us to be sensible to involve the states in decision making about where schools are located.

Senator NETTLE (New South Wales) (9.24 p.m.)—I want to comment generally on the issue of the regulation of non-government schools to which this clause particularly refers. I, and others, have commented on several occasions that this is currently in the domain of the state governments to regulate and the Greens certainly have criticisms about the way in which they regulate that. My colleague in New South Wales Lee Rhiannon has introduced legislation into the parliament which has sought to remove the capability of non-government schools to discriminate against the students they enrol or, indeed, the teachers they employ on the basis of sexuality or other grounds that are currently allowed to private schools under the discrimination legislation in New South Wales.

Whilst the Greens have criticisms of the way in which state governments regulate and require accountability for public funds from those private schools, it is in the domain of the states. The Australian Greens do not be-
lieve that it is appropriate that these clauses throughout the legislation that seek to regulate the operations of non-government schools should be done by the Commonwealth. They are done by the states. If the Commonwealth wants to have arguments about whether or not non-government schools get their funding, and the conditions and the requirements for that funding, at the very least it should be done in conversation and consultation with the states rather than simply being imposed as in the attempt by this legislation to say, ‘You don’t get the funding if you don’t meet these requirements.’ The Greens have a lot to contribute about the sorts of requirements that non-government schools should have placed on them for public accountability for the public funds that they receive, but the middle of a funding bill is not the place to do it. We do not support these clauses about the regulation of non-government schools; they should be dealt with elsewhere.

I want to touch on the other issue that the minister mentioned, which was about the location of schools and the state governments again having some say as to where that may be. There used to be a concept that existed in public schooling in this country which was called planned provision. That was where governments said of an area, for example, parts of south-west Sydney, ‘This area is a growth area and we need schools to be put in this area.’ That is a decision that the Greens think is entirely appropriate. The government should have some input and decision-making ability when a private organisation, a private company or a private school provider decides that there is growth in an area and an opportunity for its profit margins so it will set up a school there. Obviously, that is a business decision that it may make but the Greens think it is far more appropriate, when ensuring that we get quality education outcomes, that the government have a say in that. That is the process of planned provision that used to exist.

Indeed the Australian Greens come from the position of saying, ‘We don’t think it is appropriate that private schools should be provided with government funding where they are going to set up in one of these growth areas and by setting up are going to damage the enrolments and viability of local public schools that exist in that area.’ There are fantastic local public schools that exist, for example, in the south-western areas of Sydney. Currently under this government’s support for the proliferation of private schools wherever they may choose to set up, public schools are being forced to compete with a whole range of often very small and low-fee religious schools that are being set up by the private sector. The very much needed public schools in those areas simply do not have the capacity to compete with private schools that are getting substantial subsidies from the federal government.

In my speech in the second reading debate, I talked about the fact that, just since 1993, we have seen the amount of funding going from the federal government into private schools absolutely skyrocket. The increases have been phenomenal; we have not seen them in any other sector. We have not seen them in the provision of funding to the public school sector, to the independent schools or to Catholic schools. We have never before seen the size of the increases that we have seen coming out of the actions of this federal government since it was elected. The issue of planned provision is something that the Australian Greens would love to return to. We would love to return to a process whereby the government made decisions about the needs of children in a particular area to have a quality public school and public education there. This amendment put forward by the Democrats does not reintroduce that whole concept of
planned provision but it goes some way to try to instil some involvement in the decision-making process about where these private schools pop their heads up. The Australian Greens are supportive of this amendment.

Question negatived.

Senator Vanstone (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (9.29 p.m.)—Despite some of the ungracious remarks that have been hurled my way this evening, and because of which I feel deeply wounded, I would like to make an offer.

Senator Carr—Are you going to accept our amendments?

Senator Vanstone—No. I am going to indicate that we would be very happy if you wanted to deal with them in a block, so we could just get up and speak to the whole lot.

Senator Carr—For how long?

Senator Vanstone—That is obviously up to Senator Allison. We can go through these bit by bit, if we would like, but there are not many more amendments left, unless my list is incorrect. There is one opposition amendment. The Democrats could move all of their amendments, if they choose to. That is up to them. I am just indicating that it will not worry us.

Senator Carr (Victoria) (9.30 p.m.)—If it will assist the committee, might I explain the opposition’s attitude on some of these amendments. I appreciate what the minister is attempting to do here; I am not unsympathetic to it. I do not know what the others have got to say on this matter. The opposition will be supporting the Democrat amendments relating to clauses 34 and 36—that is, Democrat amendments (13) and (16) on sheet 4436 revised. We will also, obviously, be supporting our own amendments (8) and (9) on sheet 4459. We will also be supporting Democrat amendments (18) and (19), also on sheet 4436 revised. If you were to put in one block those ones where there is support, I believe they would have the support of the majority of the chamber. I recommend we put the opposition amendments separately and then the four others which remain, which we will be opposing and voting with the government on.

The Temporary Chairman (Senator Cherry)—Senator Allison, do you have a view on that?

Senator Allison (Victoria) (9.32 p.m.)—Yes. It is good of the minister to advise us that we can move amendments together! I appreciate that, Minister! It is something I had not appreciated until this time! I seek leave to move Democrat amendments (13), (16) and (17) on revised sheet 4436 together.

Senator Carr—The opposition are opposing amendment (17) in relation to clause 36. We will be supporting you on (13) and (16). We cannot support you on amendment (17).

Senator Allison—By the time we have this discussion about what can be put together and what cannot be put together, we could have already put the two that are going to be put together.

Senator Vanstone—It’s (13), (16), (18) and (19).

Senator Allison—by leave—I move Democrat amendments (13) and (16), on revised sheet 4436, as follows:

(13) Clause 34, page 34 (after line 7), at the end of the clause, add:

(3) The agreement must include a commitment by the relevant authority for non-government school or approved school system to ensure that all sources of gross income received by the author-
ity in operating the school, as well as all gross expenditure, recurrent or capital and the purposes for which Commonwealth funds have been used in the previous program year, is made publicly available within 6 months of the end of the previous program year.

(16) Clause 36, page 36 (line 3), at the end of subclause (3), add:

(g) ensure that the exclusion policy and practices of the school or each school in the approved school system are made publicly available.

Amendment (13) requires that schools provide information about all sources of income received in operating their school, as well as gross expenditure, recurrent or capital, and the purposes for which the Commonwealth funds have been used in the previous program year, and that they make that publicly available within six months of the end of the previous program year. A common complaint that I receive is that there is a very high level of accountability for government schools but we really do not know how much income schools are able to attract or what they spend Commonwealth funding on. If this were required to be reported, it would (a) be reasonable, because they receive public funding, and (b) assist us to know just what sort of level of resources are necessary to produce some of the results that many non-government schools do.

As I said in my speech during the second reading debate, we need to know what the input of schools is in terms of resources, funding and dollars coming in, but we also need to know the savings that schools make by certain practices and policies, such as exclusion. As I said earlier, it is very much more expensive to teach a child who has certain disabilities, learning problems or difficulties, or language problems, or one who comes to a school from a non-English-speaking background. There are schools that have exclusion policies in this respect. Just the other day in the press there was a story about a school which had sent a letter explaining to parents why those young people who were less able than others would need to leave the school. It is not something we have dreamed up. It is not uncommon for schools to minimise their costs in this way. The press clipping which came out just a few weeks ago said:

STRUGGLING Year 12 students will be forced to sit final exams as independent candidates to avoid damaging the reputation and academic ranking of a private Perth college.

The letter that apparently went to parents explained this was a problem for the reputation of the school and it would be better if the students were not part of that school.

I think it is reasonable to ask, since these schools are receiving public funding: what are their exclusion policies? What are their practices? Do they kick out the kids who have behavioural problems? Do they exclude students who have learning difficulties? We have all heard anecdotes to that effect. There is some evidence kicking around. I think it is reasonable that schools reveal what those exclusion policies are. Minister, you talk a lot about the parents' right to know. I would have thought that parents have a right to know who is excluded from the school as well. It could be that their child will be excluded further down the track. If you enrol your student in years 7 and 8 and then the school discovers that they have difficulties, the school might encourage them to go to another school. I would have thought this was not just an accountability issue but an issue for parents, so they can know what is the prospect of their son or daughter being kicked out of the school if they are not performing well.

Question agreed to.
Senator ALLISON (Victoria) (9.37 p.m.)—I move Democrat amendment (17) on sheet 4436:

(17) Clause 36, page 36 (lines 4 to 9), omit sub-clause (4).

This deals with educational accountability and the requirement of common testing standards, including common national tests specified in the regulations in English, mathematics, science, civics and citizenship education, and information and communications technology.

This is just another attempt by the federal government to micromanage. It is my understanding that MCEETYA is meeting to talk about these common testing standards and national tests. The other day we had a report of a study which looked into those tests and found them to be not very useful in discovering how well students are doing in schools. That is probably the sort of thing that many teachers will say: a test result does not necessarily tell you whether a child is improving or tell you much about a whole range of things. Tests can only determine so much. We think that (a) this should not be a Commonwealth requirement and (b) MCEETYA meetings are, as I understand it, discussing this and hopefully will come up with a testing regime which is more useful than the current arrangements.

Question negatived.

Senator CARR (Victoria) (9.39 p.m.)—by leave—I move opposition amendments (8) and (9) on sheet 4459:

(8) Clause 69, page 63 (after line 17), at the end of the clause, add:

(3) Financial assistance for capital expenditure under subsections (1) and (2) will be allocated to schools according to need and on the basis of system wide priorities that have been determined through arrangements that have provided an advisory role for representatives of parents in the setting of those priorities.

(9) Clause 99, page 82 (after line 20), at the end of the clause, add:

(3) Financial assistance for capital expenditure under subsections (1) and (2) will be allocated to schools according to need and on the basis of system wide priorities in the case of approved non-government school systems, or statewide priorities in the case of independent schools, that have been determined through arrangements that have provided an advisory role for representatives of parents in the setting of those priorities.

These amendments seek to provide a process for system wide or statewide priorities for the assessment of the allocation of capital grants for government and non-government schools; an explicit reference to the distribution of capital funding on a relative needs basis for schools, as defined in the various amendments that we have previously had carried this evening; bring consistency in the approach across the public, Catholic and independent sector; and require parents to be explicitly involved in the process of setting priorities for capital expenditure. These are important amendments. The amendments require the department to work with the states in determining a statewide priorities listing.

The fact remains that if you allow a billion dollars worth of funding for capital to be determined on the basis of ministerial discretion, then we will see yet another example of the National Party’s ‘roll out the barrel’ routine. Frankly, that is no way to fund our schools. There ought to be a genuine assessment of the capital needs of the schooling system within a state between regions and that ought to be done on a publicly accountable basis so that we can determine that the actual needs of students are being met by the expenditure of a billion dollars.
Senator ALLISON (Victoria) (9.41 p.m.)—I indicate Democrat support for these amendments. It is another in a suite of amendments which would identify need as being based in real terms and not on parents’ ability to pay fees. We think that this is very worth while, as I have said. I go into a lot of schools and I see evidence of great need for capital works. There seems to be no logic and no priority afforded schools in the way that funding is provided to them for capital grants. We are very pleased to support anything which establishes sensible priorities.

Question agreed to.

Senator ALLISON (Victoria) (9.43 p.m.)—I move:

That the House of Representatives be requested to make the following amendment:

(1) Page 63 (after line 17), at the end of Division 2, add:

69A Grants to provide establishment assistance

Government school

(1) The Minister may make a determination authorising payment of financial assistance to a State to provide establishment assistance for a Government school in the State for one or two program years if the circumstance in subsection (3) applies to the school.

Note: The amount must not exceed the maximum amount worked out under subsection (4).

Subsection (3) circumstance

(3) The circumstance in this subsection is that the Minister varies the list of government schools in relation to the school because the school is covered by paragraph (c) of the definition of new school proposal.

Maximum amount

(4) The amount under subsection (1) or (2) for a program year in relation to a school must not exceed the amount worked out using the formula:

\[
\text{Establishment amount for the program year} = \left(\frac{\text{Number of primary students for the school for the program year}}{\text{Number of secondary students for the school for the program year}}\right) + \text{Number of secondary students for the school for the program year}
\]

where:

establishment amount for the program year is:

(a) if the program year is the year in which the Minister varies the list of government schools in relation to the school—$500; and

(b) if the program year is the year after the year referred to in paragraph (a)—$250.

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

The effect of amendment (1) will be to increase in the number of schools eligible for financial assistance under the bill.

The effect of amendments (2) and (3) will be to increase the financial assistance for general recurrent grants for government schools.

The increased number of schools eligible for financial assistance and the increased financial
assistance for general recurrent grants for government schools will have the effect of increasing expenditure under the bill.

The increased expenditure would be met from the standing appropriation in clause 133 of the bill 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 an appropriation clause in a bill. These requests are therefore in accordance with the precedents of the Senate.

It is our view that establishment grants that are made available to non-government schools ought to be made available to all schools, regardless of whether they are government or otherwise. The government often say that their increases in funding to non-government schools follow increases in funding to students attending those schools. If they are happy to let funding follow students then it ought to follow that they do so in government schools. This request is not for an enormous amount of money, but we think that the principle is important and that this entitlement should flow to both sectors.

Question negatived.

**Senator ALLISON (Victoria) (9.45 p.m.)**—by leave—I move Democrat amendments (18) and (19) on sheet 4436 revised:

(18) Page 109 (after line 8), at the end of the Division, add:

138A Ministerial review of school resources

(1) The Minister must cause an independent review of the resources of all schools before 31 December 2005.

(2) The review required by subsection (1) must:

(a) report on the buildings, facilities and equipment available at every school; and

(b) examine the future provision of appropriate buildings, facilities and equipment.

(3) The report must contain recommendations about the funding of schools to meet basic infrastructure standards, having regard to the matters mentioned in subsection (2).

(4) The persons undertaking the review must consult:

(a) the Commonwealth and the States;

(b) the Ministerial Council on Education, Employment, Training and Youth Affairs schools resourcing taskforce; and

(c) a broad range of persons with expertise in or experience of relevant disciplines; and

and the views of the Commonwealth, the States and the persons mentioned in paragraph (c) must be set out in the report to the extent that it is reasonably practicable to do so.

(5) The Minister must cause to be tabled in each house of the Parliament a written report of the review within 15 sitting days after 31 December 2005.

R(19) Page 109 (after line 8) at the end of the Division, add:

138B Review of impact of Act

(1) The Minister must cause an independent review of the impact on the primary and secondary education sector of the reforms enacted through this Act to be completed before 30 June 2006.

(2) The Minister must cause to be tabled in each house of the Parliament a written report of the review within 15 sitting days after 30 June 2006.
(3) Without limiting the scope of the review, the reviewers must, among other things, consider the following:

(a) the establishment of base line consistent and comparable data on school funding;

(b) an analysis of the future direction of Australian schooling under present funding arrangements;

(c) the principles which should underlie Australian Government funding of schools, including its relationship to State or Territory funding;

(d) the establishment of a national standard of basic school amenities that complies with occupational health and safety standards.

(4) The persons undertaking the review must consult:

(a) the Commonwealth and the States;

(b) the Ministerial Council on Education, Employment, Training and Youth Affairs schools resourcing taskforce; and

(c) a broad range of persons with expertise in or experience of relevant disciplines;

and the views of the Commonwealth, the States and the persons mentioned in paragraph (c) must be set out in the report to the extent that it is reasonably practicable to do so.

(5) The report must contain recommendations about amendments that should be made to this Act, having regard to the matters mentioned in subsection (3).

These amendments go to the question of review. Amendment (18) would require an independent review of the resources of all schools to be made. That would include reporting on buildings, facilities and equipment available at every school. It has been our view for some time that an audit should be done. A great deal of money is spent on capital works—probably not enough; in fact, we know it is not enough—but questions have been asked, including at the inquiries done by the education committee, notably on Indigenous education a couple of years ago, that made it very clear to the committee that funding decisions for capital works are based on anything but an agreed knowledge about what is out there and what needs to be done, firstly, and agreed prioritising.

We are calling for an audit of school buildings and facilities and asking that the review contain recommendations about the funding of schools to meet basic infrastructure standards. It is not clear what is basic in any sort of school. I go into schools, and primary schools in particular often do not have a multipurpose space. Some do—some have fabulous spaces, in both the government and non-government sectors—but there is by no means an agreement about or a clear direction as to what is a basic provision and what is not. I think it is time we had an audit.

Amendment (19) would also review the impact of the act. It is critically important that we look at how successful this act has been. The review should look at: the establishment of baseline consistent and comparable data on school funding; an analysis of the future directions of Australian schooling under these arrangements; the principles that should underlie government funding of schools, including those with state and territory funding; and, as I said, a national standard of basic school amenities that comply with occupational health and safety standards. I understand that the ALP will support these amendments; I am very pleased that they propose to do so.

Senator CARR (Victoria) (9.48 p.m.)—The opposition will be supporting the Democrat amendments (18) and revised (19).

Senator NETTLE (New South Wales) (9.48 p.m.)—I indicate that the Greens will be supporting these two amendments. As Senator Allison explained, these two
amendments seek to have a review of the funding of schools. In particular, amendment (19) is looking at the impact of this legislation. As I outlined in the second reading debate, the Greens have a position whereby we seek to remove funding from the very wealthiest private schools and freeze the funding of the other private schools while we have a similar style review to look at the impact of this continuing policy of the government to pour public funds into these private schools—the impact on equity, educational outcomes and provisions.

The amendments we are talking about at the moment go to providing some kind of audit for the public of what assets and resources these non-government schools have. The Greens have had a long-held concern that we do not have the same reporting requirements for non-government schools. We as members of the public or of parliament or governments making decisions to put additional funds into private schools do not know how many rifle ranges the parents of those private schools have already funded. We do not have that accountability requirement for the private schools. We do not get to see how many other assets and what income streams they have. This information would enable decisions to be made about the equity, or the needs based analysis to be made that the opposition speaks of, when governments are making decisions about the amount of government funding that should be provided to independent or private schools.

We are certainly supportive of any reviews which seek to delve into the dark dungeons of the accounts of private schools—information that is not otherwise available to the public. Public education advocates like the Greens would very much like to be aware of how many assets, how many educational, sporting or extracurricular capital investments are owned by the schools, were given by the parents of the school or received from other income sources that we do not know about. We simply do not have that information on the record. It makes it very difficult for governments or anyone who seeks to bring any equity to the system to make those decisions without that information.

This government has decided that it is not interested in making those decisions on the basis of equity—or maybe it has that information; I do not know. I do know that we do not have that information. We do not know how much money or assets these schools have, where their income comes from or what their other income generating streams are. Any review that brings that information to the public is something the Australian Greens are happy to support.

Question agreed to.

Senator ALLISON (Victoria) (9.51 p.m.)—by leave—I move:

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

(2) Schedule 2, page 119 (cell at table item 1, columns 3 to 6), omit “586”, substitute “658”.

(3) Schedule 2, page 119 (cell at table item 1, column 2), omit “8.9”, substitute “10.0”.

These requests are for increased funding for primary schools. Primary schools have been funded at a much lower rate than secondary schools for some time. While the rationale for this difference has to do with the broader curriculum that must be offered to secondary schools, primary schools are critically important for giving children a good start in their education. The states provide schools in lower socioeconomic areas with, on average, an extra $1,000 per student, but these schools generally have much higher numbers of students with special learning needs and such schools require smaller class sizes and specialist assistance that cannot be delivered with just $1,000 extra per student.
Intervention in the earliest years of schooling is most effective, particularly for those students who are disadvantaged by language, poverty or parents who are not well educated. Considering the government’s recent focus on literacy rates you would expect it to support greater funding allocations for early intervention. The department’s report, *The sufficiency of resources for Australian primary schools*, found:

Without additional financial and other resources, these goals are outside the reach of many schools, particularly those with lower SES intakes unable to attract high-quality community support, adequate private contributions from parents and high-quality staff.

The Australian Primary Principals Association responded to this report saying:

... the current system is inconsistent and inequitable and must be reviewed immediately.

The point of these amendments is to change the current arrangements whereby the federal government funds primary schools at 8.9 per cent of average primary school funding—that is, AGSRC for primary schools—but gives secondary schools 10 per cent of the average secondary school funding. So, in effect, primary schools are getting a double penalty: they get a lower AGSRC, and the federal government discounts that by a further 1.1 per cent. That may not sound like a lot but I am sure that primary schools could do a great deal with it.

I understand that this is just a historical anomaly so it is not something that has been determined recently. It has gone on year after year, funding cycle after funding cycle without a great deal of attention being paid to it. It is obvious that resources are not sufficient in primary schools. This would be one way of redressing some of that inadequacy. It makes good commonsense. I do not know whether the minister has any arguments or whether her staff have been able to tell her why primary schools receive 8.9 per cent of AGSRC while secondary schools get 10 per cent.

Senator Ferris—By way of explanation, the minister has taken a very short comfort stop.

Senator CARR (Victoria) (9.55 p.m.)—The opposition will not be supporting this measure by the Democrats. We obviously support the principles of increased funding for government schools. During the last election campaign we committed to providing increased funding—in fact, in our election policy we pledged to provide an extra $1.9 billion—but we are not convinced that the proposals that are before the chamber in this request for amendments are the best way of securing additional support for primary schools.

The Labor Party say that funding is not provided separately for the primary and secondary education sectors, despite the way in which the formulas are presented in this bill. The Democrats are seeking to lift the primary AGSRC rate to the same proportion as that which applies to secondary schools. That would have a quite significant impact on the budgetary allocation in this bill. It is appropriate that there be an increase in the general recurrent funding for all government schools to reach the national standards of resourcing. In particular, the Labor Party support an increase in funding for priority areas through the targeted programs—the quality teaching programs, the best teachers in struggling schools, school discipline, Indigenous education, programs for students with disabilities, early learning and post compulsory education reform.

We support measures that would guarantee education, training and employment for
Australian young people. They are quite specific programs. In recent years I have read the funding reports, despite the fact that it takes so long for the government to get them published. I think they are now running two or three years behind in publication of the national reports on schooling but every time I raise this I get told that there will be an improvement next year. I know it is always the states’ fault—it always is! It is a great thing to have the states because you need someone to blame when things go wrong—and this is clearly a case where that occurs. When I read those reports I saw in the higher education sector that performance is falling in all the targeted equity groups.

In this country our capacity to provide educational services or quality education for some of our most disadvantaged is not producing significant improvements. This particularly shows up in the higher education system. In the last triennium report on the higher education system it was quite evident that there had been a drop-off in all of those targeted areas. A better way to spend the money would be to put additional resourcing behind targeted equity programs at the school level. That would require concrete and clear commitments to be provided by the Commonwealth. That is the view that the Labor Party would take in government.

Senator ALLISON (Victoria) (9.59 p.m.)—I ask the minister if she can explain why there are different rates. I also point out to Senator Carr that I was not suggesting that AGSRCs should be the same for primary and secondary schools, and I explained why the primary rate is lower. It is the government percentage on those AGSRCs for government school funding that is different—8.9 per cent as opposed to 10 per cent. As I understand it, there is no real rationale for that. It is like double jeopardy for primary schools: they are being penalised, you could argue, by having a lower AGSRC—and that might be justified—but why should there be a double penalty in the Commonwealth allowing for a lower percentage of an already lower rate? Perhaps the minister’s advisers would be able to tell us why this is the case. As I understand it, it is a historical anomaly that no-one has corrected. Since we hear so much about early childhood development and the importance of primary schools, this would be a good opportunity to make that rate the same percentage, if not the same actual sum.

The TEMPORARY CHAIRMAN (Senator Lightfoot)—The question is that the Democrat request for amendments moved by Senator Allison be agreed to.

Question negatived.

Bill, as amended, agreed to.

STATE GRANTS (PRIMARY AND SECONDARY EDUCATION ASSISTANCE) LEGISLATION AMENDMENT BILL 2004

Bill—by leave—taken as a whole.

Senator ALLISON (Victoria) (10.01 p.m.)—I move Democrat request and amendment (1) on sheet 4373:

That the House of Representatives be requested to make the following amendment:

(1) Schedule 1, item 7, page 3 (lines 25 to 27), omit the item, substitute:

7 Part 1 of Schedule 8 (table item dealing with 2004 program year, column 2)
Omit “291,954”, substitute “309,824”.

8 Part 1 of Schedule 8 (table item dealing with 2004 program year, column 4)
Omit “7,414”, substitute “564”.

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

The effect of the amendment will be to allow a net increase in the grants to schools for strategic assistance. These payments would be met from a
standing appropriation providing for grants for targeted assistance.

This net increase in grants under the bill will have the effect of increasing expenditure under a standing appropriation in section 111 of the States Grants (Primary and Secondary Education Assistance) Act 2000, and the amendment is therefore presented as a request.

_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.

This has the effect of directing the $20 million which the government propose to spend on the tutorial credit initiative to schools. It is our view that the amendment would shift the funding from the grants to foster literacy and numeracy programs to the grants for strategic assistance program, which directs funding directly to the schools. We think that the $700 voucher that will be available to parents for students in grade 3 who fail the benchmark testing is possibly a waste of money because it is going to so-called tutors who may or may not have expertise in that child’s particular learning problem. Schools are probably in a far better position to know what that child in grade 3 needs in order to progress their literacy ability.

It may be the case that schools become brokers for these tutorial vouchers, which would be a good thing, but it seems unnecessary that there even be a brokerage arrangement in place, and that the schools are in the best position to link whatever is being done by way of tutoring with what is going on in the school. They are also in a better position, with better trained and more experienced staff, to know the way to progress. As I understand it, tutors would be eligible for this role if they were undergraduates in teachers college, for instance. I do not know how that works, when most teachers do a degree and then a diploma of education, but it seems to me that you do not go to people with the least experience when you are dealing with the most significant problems. It might sound okay to parents and it might be just the thing parents think their kids need, but often the problems are complex and related to a learning disability. Even 20 sessions, which I think is about the number that would be afforded by $700, may not correct that problem.

There is also the question of the extent to which this is a pilot. We know it runs up until term 2 next year. There have been, as far as I can see, no real assurances about the evaluation of this pilot. It came just before the election, conveniently, to make it look like the government was doing something, but there is no commitment to doing it in the following year. It is not at all clear how the evaluation will proceed. Pilots are usually conducted with a fairly small group rather than being available country wide, and there is a proper evaluation of them before they are more broadly applied. I will be interested in what the minister has to say about why this came on just before the election and whether it is going to proceed beyond term 2 next year. We think the government has used this voucher idea, firstly, as a populist idea that the government no doubt hoped would capture the imagination of parents, but it has not been done in consultation with principals or the states.

There is a very great risk that the $20 million will be eaten up in administration, brokerage fees and so forth, whereas, if you provided it directly to the schools, I am sure they could use it much more effectively. You could put conditions on it. You could say, ‘The schools have to provide tutors or they have to do it in the school,’—whatever. It
seems to me that this is a way of saying, ‘We don’t trust you. We don’t trust the schools to do their job and, somehow, we trust others, as yet unidentified, to be able to do it.’ I guess some teachers will provide this tutoring, but it seems to be more likely that you will get students and that, good as they might be, they are not experienced and not necessarily in a position to know what the learning problems are for these children. We recommend through this amendment that that money be sent directly to schools for them to determine how it should be utilised.

**Senator CARR (Victoria) (10.06 p.m.)**—The opposition will be opposing the Democrat’s request for amendment (1) on sheet 4373. My reading of this proposal suggests that, in fact, there is a shortfall of $11 million. So there is no provision in this measure for the additional $11 million. We will also be opposing the Greens’ amendment coming up shortly because that seems to imply that the parliament should not accept this expenditure of $11 million on literacy, which is a proposition I think it would be difficult for us to support.

**Senator NETTLE (New South Wales) (10.07 p.m.)**—How lucky you are, Senator Carr, because I am actually going to withdraw the Australian Greens’ amendment.

**Senator Carr**—It’s my powers of persuasion!

**Senator NETTLE**—I am very happy to be supporting the amendment before the chair at the moment because it directs that money back into our public school system, which is where I believe that money should be going. It says that teachers are the best people to know the reading needs and reading difficulties of the students, in this instance the year 3 students. They should be, as the qualified and competent professionals that they are, the people who provide assistance for the students with their reading difficulty needs. As I mentioned in my speech in the second reading debate, this is the privatisation of year 3 literacy. That is what that government are proposing.

The government are saying that they are such supporters of choice that they want to say to all parents of year 3 students, ‘You now have the responsibility to determine not only what reading difficulties your child has but also who is the best person to help your child improve their reading difficulties.’ The Greens do not think that is an acceptable obligation to put onto parents—particularly when I think of the parents I worked with when I worked with children a little bit older than this, many of whom were from non-English-speaking backgrounds. I think of the many Tongan and Lebanese members of the Granville community that I used to work with. To ask those parents not only to understand what the reading difficulties of their year 3 child are but also to go out into the private education marketplace and find the person who will be the best tutor for their child and that child’s learning difficulty needs is a tremendous obligation to put onto parents. When there are qualified and professional teachers who have done the training and who are specialists in learning and literacy difficulties, clearly they are the best people to provide that service. What the government’s proposal does is to deregulate the literacy needs of year 3 children. It will privatise it and throw it wide open to this government’s education marketplace. It says that it is up to the parents to make those decisions. I do not think that is right.

That view is shared by a meeting of principals from public schools that occurred in Melbourne earlier this year. The chairperson of the National Principals Committee, Neil Free, said:

Principal believe that the most beneficial way to support improved literacy outcomes is to provide adequate funding to schools so that current pro-
grams based on knowledge of individual students and best practice can be fully implemented ...

There are a number of successful literacy programs using intensive one-on-one tuition, such as Reading Recovery, that can be provided when appropriate funding is available to schools.

Under Minister Nelson’s proposal, not only is there a risk that the $700 “voucher” will produce minimal, if any, improved literacy outcomes, but the potential use of unqualified tutors without knowledge of the student’s other learning program, and no accountability, may actually negatively impact on learning, and could put student welfare at risk ...

There we have a principal saying that they are not only concerned about the government proposal; they are suggesting that if there are unqualified tutors who do not know the learning program the student is involved in—they are not the teacher, they are not part of the school and they do not understand the process they are following through—then you may have a situation where the teacher is subsequently teaching a student but has no idea what additional tutoring the student may have received and whether that is contributing to or adding to the teaching that the teacher is doing. They would have no idea.

If, as is proposed in this amendment, additional funds are provided through the department of education and through qualified teachers who have expertise in learning difficulties to provide that additional tuition one-on-one, whatever it may be, to the student then it can be part of a comprehensive literacy training program that the student is involved with and that is provided through the public education system. That is a far better way to ensure that the literacy needs of the year 3 child are met. For that reason the Australian Greens will be supporting this amendment. I withdraw the Australian Greens amendment on this issue.

Question negatived.

Bill agreed to.

Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 reported with amendments and the States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004 reported without amendment; report adopted.

Third Reading

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (10.14 p.m.)—I move:

That these bills be now read a third time.

Question agreed to.

Bills read a third time.

COMMITTEES

Foreign Affairs, Defence and Trade Committee: Joint
Membership

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—Order! The President has received a letter from a party leader seeking a variation to the membership of a joint committee.

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (10.14 p.m.)—by leave—I move:

That Senator Crossin be discharged from and Senator Cook be appointed to the Joint Standing Committee on Foreign Affairs, Defence and Trade.

Question agreed to.

INDIGENOUS EDUCATION (TARGETED ASSISTANCE) AMENDMENT BILL 2004

Second Reading

Debate resumed.

That this bill be now read a second time.
Senator CARR (Victoria) (10.15 p.m.)—I wish to say a few words on the Indigenous Education (Targeted Assistance) Amendment Bill 2004. This bill establishes a framework for the funding of measures in the education portfolio targeted at Indigenous students and provides funding for the next four years. The bill also establishes two small new programs first announced during the recent election campaign. I start my remarks by drawing the attention of the chamber to the recent performance of the Department of Education, Science and Training with regard to Indigenous education. I recall reading just recently documents from within the government that went to the review undertaken by the government on the effects of mainstreaming of Indigenous programs within government. I was struck by the reference to the fact that the department of education was the only department within the government that had failed even to respond to the review and to undertake a review of its own programs. This was before the recent changes the government announced. I want to take up this matter more directly with the department in due course and I am sure we will be able to hear from them why that occurred.

The legislation we have before us tonight, however, continues a pattern we have seen in recent times where the government says a great deal about its commitment to Indigenous education but when we look empirically at the effects of mainstreaming of Indigenous programs within government. I was struck by the reference to the fact that the department of education was the only department within the government that had failed even to respond to the review and to undertake a review of its own programs. This was before the recent changes the government announced. I want to take up this matter more directly with the department in due course and I am sure we will be able to hear from them why that occurred.

The legislation we have before us tonight, however, continues a pattern we have seen in recent times where the government says a great deal about its commitment to Indigenous education but when we look empirically at the impact, at what is actually occurring, then I am afraid the story is less than satisfactory. The legislation has to be seen in the broader context of the government’s recent changes. Firstly, it has abolished ATSIC and it is not sought to replace it with a representative body but with a government appointed committee. Secondly, it has sought to mainstream Indigenous programs across all other government departments. Thirdly, it has adopted a more authoritarian and paternalistic approach to the provision of government services to Indigenous people, as revealed in the recently leaked cabinet documents referred to by the National Indigenous Times. In my judgment, the government’s approach has taken us back a generation in Indigenous public policy. I happily concede that not everything is bad in the government’s treatment of Indigenous affairs. In fact, some very positive advances have been made during the period of the Howard government. Nonetheless, progress is far too slow.

Last week we saw the opportunities that have opened up as a result of Michael Long’s so-called ‘Long Walk’. What he has undertaken is a truly remarkable feat. It began as a spontaneous gesture by him and a small group of supporters and it led to the situation where the Prime Minister has reopened a dialogue with a number of Indigenous leaders—a dialogue which had been closed for five years. I think Michael Long’s action provided a real ray of light for Indigenous people in this country. He did this, of course, out of despair and anger, but he has re-ignited the national debate about reconciliation and the dire need for action for social justice for Indigenous people in this country. The involvement of Aboriginal leaders such as Pat and Mick Dodson has been a very positive development. The fact that the Prime Minister has now said that he will continue the dialogue with Michael Long and Pat and Mick Dodson is equally positive. I hope much good comes from those discussions. We will have to wait and see whether or not that hope is realised.

The problem is that I have not seen any evidence that the government has actually resiled from any aspect of its own position. I am concerned that the government has not actually changed its mind about the need for a truly representative body to speak for Indigenous people and that it still believes such action is unnecessary. I am concerned that
the government has yet to change its position on the so-called ‘shared responsibility agreements’—the conditions that, in my judgment, may well force Indigenous people to give up their natural and proper social rights because of the demand by the government for behavioural changes. I am equally concerned that the government has at no point acknowledged its responsibilities with regard to reconciliation and has failed to understand why reconciliation remains a very important matter for this country.

The government talks about its so-called practical reconciliation measures, ignoring the real meaning of the process for Indigenous Australians themselves. When we look at the speech by the Governor-General to this parliament we can see that even the so-called watered-down version, the ‘practical reconciliation’ that the government used to speak of, seems to have fallen off the agenda as well. Apparently the government just cannot see that a formal, explicit process of reconciliation between Indigenous and other Australians is an absolute precondition for moving forward on a broad range of issues, just as an apology to the stolen generation is an important part of the process of healing. Some people have said that you do not really need to worry about the question of apologies and acknowledgement of prior custodial ownership of the land because the real questions go to the fundamentals about the provision of services. I say that is a misconceived view. You would not say to Australians celebrating Anzac Day or to Australians down at Ballarat last weekend celebrating Eureka, ‘You can have one or the other: either you can have a water supply, an electricity supply, a decent school or a hospital or you can have some acknowledgement of some ceremony.’ You would not put that view, and nor should you.

But with regard to Indigenous people there is a view somewhere in this country that says these two issues should be seen as separate and that there is a dichotomy between acknowledgement of past injustices and necessary improvements in social justice today. Equally, there is a view put that you can have a distinction between social rights and social responsibilities. No-one else accepts that distinction. That sort of dichotomy does not occur in any other aspect of Australian society when we talk about people’s rights to a decent school, hospital, water supply, electricity supply or house. None of those rights are challenged; they are taken for granted as fundamental rights for any citizen in this country. But it seems that, when this government raises these questions, the processes have to be seen as separate. I say that is a false dichotomy, and of course it is an insulting attempt to institutionalise paternalism and authoritarianism to take the position that appears to be being taken in so many aspects of the government’s policies today. So, when the government talks about setting conditions under which it will support service provision to Indigenous people, I think we are entitled to ask: would those conditions apply to anyone else in this country or do they only apply to Indigenous people?

We say the government is proposing a new agenda. As far as I can see, the education agenda has not been immune from this approach. I think we are entitled to ask: if education is one of the keys to the future for Indigenous people, what action is the government taking to actually unlock the doors of inequality in this country? From what I have seen so far, the profound historical disadvantage faced by Indigenous peoples is not being addressed by these measures. Of course that is not to say that we oppose the measures for a substantial injection of new money into Indigenous education. This bill provides $29 million over four years and funds 250 scholarships and mentoring for
Indigenous students from remote areas as well as 600 additional places in training and apprenticeships. Of course you do not oppose those things. What I say is that you put those things in context. You put them into the context of what is actually occurring in this country, and then you can see how limited these measures are.

Programs such as the Indigenous Youth Leadership Program and the Indigenous Youth Mobility Program are all about picking winners. The government now sees its role as selecting high achievers and sending them to TAFE or universities in the city. The scholarships provided under the leadership program will also send school age students to what the government terms ‘the best Australian schools’. I can only presume, having listened to the rhetoric of the government in other areas, that what it means by that is the elite private system. I say this policy may well be very divisive. It may well produce a situation where many students will not be provided with assistance. I am concerned to make sure that, if we are to select students who are the best and the brightest from remote Aboriginal communities, we do understand the role that their communities have in their education and understand that we cannot separate that role from the ongoing cultural education that is involved with a young person in Aboriginal society.

I refer to the proposal to spend $25,000 a year on each student’s fees at one of these schools. That could probably be much better spent on providing places at government secondary schools for three or four students, so I do think there needs to be balance here. There needs to be an understanding that the provision of basic educational services to Indigenous peoples should not be confined to just the best and the brightest who can be shipped off interstate, leaving behind desolation because of the government’s failure to provide services for the many. The parliament has been asked by the government, in considering this bill, to put in place a program of which we have no detail. We can only guess at what is being proposed here. We have seen no guidelines. No provisions are actually made for how this proposal would work.

If we look at the changes to the Indigenous Education Direct Assistance program, we see that the government does not explicitly refer to the major changes to IEDA that in fact have been put in place over recent years. In fact, with this bill the government is ushering in major reforms to three schemes under the program itself. It will bring together two new programs into a new whole of school intervention strategy. This move abolishes the Aboriginal Student Support and Parent Awareness scheme, or ASSPA, a scheme that provided funding for liaison and consultation between Indigenous families and the schools for their children to attend. I would have thought that would be exactly the sort of program that the government now talks about in terms of its shared responsibility arrangements. You would have thought that was exactly the sort of thing to encourage communication between the agencies of a state and the local communities. The move replaces this scheme with one based on a submission model, funded only on the basis of proposals prepared according to a set of guidelines. Indigenous leaders have criticised this very heavily on the basis that a number of groups lack the very practical resources and know-how to prepare the submission based processes that have been envisaged by this measure.

This point is well illustrated by the IEDA review itself. That government process provided no real rationale for the new program. In fact, only 10 submissions were actually received in the review process. So it is little wonder that there is very little understanding of how these programs might actually work.
You would have thought that measures as important as these might have attracted more submissions if there had been a greater understanding of what the government was proposing to do. So what we have here is a functioning system of consultation and parent involvement in schooling, although with different levels of success in different regions—a scheme now being sent into oblivion—while at the same time the government says that it has renewed emphasis on consultations.

Given the hour, Mr President, to assist the work of the chamber I seek leave to incorporate in Hansard the remainder of my remarks, which are of similar moderate tone and obviously provide assistance and forthright advice to the government on how it might lift its game.

Leave granted.

The speech read as follows—

The Government is also making major modifications to what was known until now as the ATAS scheme—Aboriginal Tutorial Assistance Scheme. This scheme is getting a name change, but a lot more as well by way of change.

The scheme provides additional tutorial assistance to Indigenous students who need it right across all sectors of education—school, TAFE and university.

Until now, at school level, the scheme provided broadly-based assistance to kids at every year level.

Now, the Government wants to “target” the help that Indigenous children receive. The program is capped, and so the funds will be largely eaten by the Government’s own priorities. It appears to be limiting assistance in the first instance to children who have fallen behind at the Year 3, 5 and 7 literacy and numeracy benchmark tests.

It has also shifted emphasis away from individual tuition and into the classroom setting, which stretches the dollars further. The IEDA review emphasised that, while classroom tutorial help was useful, it needed to be supplemented by individual assistance.

So help available to Indigenous kids under this program will be narrower in focus and Indigenous students might miss out on individual assistance that they need. It is also unclear whether children at year levels other than 3, 5 and 7 will receive help.

Furthermore, in schools in the cities that have fewer than 20 Indigenous students, those kids will miss out altogether on tutorial assistance.

These changes fly in the face of the Government’s insistence on so-called “mutual obligation”. Here, we see the Government blatantly failing to keep its side of the bargain with Indigenous school students: it is abandoning large numbers of them, by withdrawing the tutorial assistance in literacy and numeracy that they so clearly need.

As with the other changes brought in by this bill, there is a complete absence of detail about guidelines or implementation. Once again, the Senate is being asked to vote in the dark.

Where to now?

So where is the Government headed, in general terms, in Indigenous policy?

Does it have a direction? Is the direction the right one?

The answer is that it does indeed have a direction, but it’s one that, despite the Prime Minister shaking hands with Indigenous leaders last week—despite that—the policy direction is one that should cause a high level of concern in the minds of all decent Australians.

This Government has taken us backwards in terms of Indigenous policy. More seriously, it has taken Indigenous people backwards—back in time. It has actually reversed direction.

In the early nineties, under the previous Labor Government, there was real forward movement. Australians were marching towards formal and real reconciliation between Indigenous and non-Indigenous citizens. It was a time of hope for Indigenous people.

But the Howard Government, when it explicitly refused to say sorry and rejected reconciliation, stopped that forward movement in its tracks.

This is not to say that there hasn’t been anything to celebrate for Indigenous Australians in the last eight years. There has—but the achievements of
individuals, groups and communities have occurred despite, and not because of, the Howard Government.

Now the new welfare agenda—the “shared responsibility” policy being foisted on Indigenous people without their full involvement and free agreement—will turn the clock back still further.

There’s nothing wrong with the concept of mutual obligation—provided that it is truly mutual and freely entered into. And it should apply to everybody—not just to the most starkly disadvantaged section of Australian society, Indigenous people.

What’s wrong is forcing Indigenous people to sign up to do things they realistically can’t do, because of their degree of disadvantage. Australia collectively needs urgently to address this disadvantage.

Labor wants to see genuine reciprocity in welfare policy and service provision.

As a first step, a precondition, we need formal and real reconciliation. Labor is committed to this process. We call upon the Prime Minister and his Government to join us, and to join with Indigenous Australians and to take that crucial first step in the long road to a better life for Indigenous people in this country.

Debate interrupted.

ADJOURNMENT

The PRESIDENT—Order! It being 10.30 p.m., I propose the question:

That the Senate do now adjourn.

Rural and Regional Australia: Health Services

Senator SANDY MACDONALD (New South Wales) (10.30 p.m.)—I rise tonight to speak about a proposal by the University of New England in Armidale to establish a rural medical school at the UNE. Last week I met with a delegation from the Naresuan University, Thailand’s premier regional university, which has established a regionally based rural medical school with the assistance of the Thai government. This university is now graduating over 200 medical graduates a year for Thailand’s population of 65 million. Thailand, like Australia, has also been suffering from a shortage of doctors in its regions, and Prime Minister Shinawatra’s government understand that if more doctors from rural and regional areas are trained and recruited in regional communities they are more likely to stay there to practise. This delegation has forged a working relationship with the University of New England in which the University of New England will help to train health professionals from Thailand along the lines of the long experience that the UNE has with distance education. It is probably regarded as Australia’s premier distance education tertiary facility.

The University of New England is lobbying for the establishment of a rural medical school, shared across several regional New South Wales universities—the UNE, Charles Sturt University and Southern Cross University. I have met several times with Professor Victor Minichiello, the Dean of the Faculty of Education, Health and Professional Studies at the University of New England, who is passionate about this cause—that is, to develop a rural medical school to train doctors in regional Australia. It is well understood that rural and regional Australia currently faces a shortage of medical professionals—not only GPs but specialists and almost all allied health professionals. Unless this is addressed, the shortage will increase, making it harder for country people to be treated in their own communities and therefore certainly impacting on their quality of life. The coalition government, over the past eight years, has made some headway in addressing this problem—very substantial headway. I might add, with embedded changes to the whole way that medical training takes place—but there is still a fair way to go and other methods must be looked at.

The Rural Health Strategy that was announced, I think, in the 2000 budget, provided an initial $562 million to improve ac-
cess to health services for people living in rural and regional Australia. This was the largest rural health program ever announced by a government. The strategy included increasing the funding for the number of postgraduate training places in rural Australia for general practices. Also a whole range of scholarships and other financial incentives are now in place. Funding has also been provided to place practice nurses in country doctors’ clinics, registrars are also paid incentives to train in rural areas and doctors who are prepared to continue to practise in regional areas and set up outreach services are also rewarded. The government has also brought rural medicine into the 21st century with assistance for health services to establish online links with other medical professionals and educational facilities. This broadens the ability for the medics to reach remote communities and also allows easier access to educational resources. The selection process for medical students has also been addressed. In fact, academic prowess is now no longer the only criterion used by all medical schools across the nation; there are other methods used to find out whether the proposed student is going to be a valued addition to the medical profession. And I mean that in the broadest sense: it is not done only on academic prowess now.

One of the government’s initiatives which I think has really made some headway in the recruitment and retention of doctors in rural Australia has been the establishment of the university departments of rural health in a number of major base hospitals across Australia. One such university department of rural health is based at Tamworth Base Hospital, in conjunction with the University of Newcastle. This allows medical students from the university to undertake some of their practical training in a rural setting and also assists those rural health services where the UDRH is based. The clinical schools will ensure that senior year medical students receive comprehensive training in the practice and procedures they will need for rural practice. It is understood that if a student from rural or regional Australia is trained and schooled in the country, they are nine times—and I repeat that: nine times—more likely to continue to live and work in regional areas. If someone comes from regional Australia and is professionally trained there then whatever that profession might be, including the medical profession, they have nine times more chance of returning to the regional areas whence they came.

While the Australian government is working to decrease the shortage of doctors in the regions, a rural medical school would certainly complement the rural health policy of the coalition. The University of New England already has an existing nursing school and extensive health and science programs. In the university’s nursing program, around 94 per cent of students come from rural and regional areas, and it has been found that those students are then retained as regional health service providers.

The University of New England is one of Australia’s best regionally based universities, and it makes sense to establish a high quality medicine program that can essentially train doctors for rural and regional Australia. It cannot be enough that more medical school places are funded by the Australian government to get more doctors to practise in the hope that they may move to regional areas. I think we have to put the medical schools out there for them to go to and then have that added advantage of their staying in regional areas. We must now look to training and educating our doctors in country areas and to practise in country areas in communities they are familiar with and under circumstances they are also familiar with. I am fully supportive of the proposal for a collaborative medical school program between the Univer-
Rugby: Super 14 Bid

Senator CHRIS EVANS (Western Australia—Leader of the Opposition in the Senate) (10.37 p.m.)—Tonight I seek the Senate’s indulgence. I want to make a few remarks in support of Perth’s bid for the fourth Australian team in the expanded rugby union Super 14 competition. Contrary to WA’s reputation and that of some of my fellow senators, we are rarely parochial, but on this occasion I will make an exception and speak from a parochial point of view. I have been so deprived of top-flight rugby in Western Australia that I have been forced to support the ACT Brumbies in recent years, which shows how desperate I have been, although they have given fine entertainment. A Western Australian supporting a Canberra based team is not something that is generally discussed in polite company and it is frowned upon. I have even been forced to cheer the Waratahs and Queensland when they are playing the Kiwis, because that is compulsory. But, quite frankly, it is just not enough. WA needs its own team. We need a franchise in the expanded Super 14 competition.

Flying into Canberra last night on the way to attend parliament this week, I looked around the cabin and I saw why Perth ought to win. I saw Perth’s strengths. I looked over and there was Kim Beazley, a former university second row forward, a lock of national standing if ever there was one. Sitting opposite was an old club mate of mine, Stuart Henry, a liberal—sure, that is a disadvantage—but a very fine rugby union player, a very fine state captain and an excellent second rower. Sitting just across the aisle from me was Senator Murray, who is an import from Zimbabwe and a former prop. I thought, ‘I could join with Senator Murray and we’d make a fairly formidable set of props’. Not pretty but effective—practitioners of the dark arts of the front row only known to former props.

Then of course I had a bit of a problem in selecting this side because Bob Kucera, who is the WA minister for sport and a fellow Welshman, is also an ex prop, so I thought on this occasion I would have to revert to being the hooker between Senator Murray and Mr Kucera. But I must say, with that bipartisan cross party tight five, who needs backs? That will do the job, I think. In comparison to the Victorian contingent, Justin Madden was a very good Aussie Rules player but no rugby player and, although there are some heavyweights among Senators Carr, Conroy, Marshall, McGauran, Ray and Fifield, I just do not think they can offer the sort of rugby pedigree that Western Australia can bring.

It is getting close to decision time. Friday the 10th is when the Australian Rugby Union is expected to make a decision. I think the WA rugby union has made a compelling case. It has received very strong support from the WA government and from the rugby and business communities of Western Australia. Its key feature and the strongest claim on behalf of Western Australia is that the WA bid is about growing the game of rugby, extending it across the country, making rugby union a truly national game at the elite level. As a player of 20 years standing in Perth, I have seen the game grow. The junior development has been phenomenal. New senior clubs have grown up in recent years. There is a very strong grassroots basis for rugby union in Western Australia.

We know that Perth Gold, the Western Australian team, won the Australian Rugby Shield, but, as I say, the growth of rugby has been both in the metropolitan area and in country areas. It has been in the juniors and
in the senior level—a very grassroots, wide-spread development of the game. We have struggled with national representation because of the distance and the lack of recognition of WA rugby union. My main claim to fame as a rugby player was that I coached John Welborn in the under-10s. He went on to be a great second rower for Australia but he had to move to New South Wales to do it. Western Australians should not have to move interstate to play at the elite level. There are many other young stars coming through. One of our youngsters is now with the Brumbies squad, but a number of them have reached national representative honours at junior and colts levels.

The fan base in WA is developing nicely. We managed to get 20,000 people during the Rugby World Cup to turn out to watch Georgia play Samoa. That is quite an achievement. It was a good night but that shows the sort of support WA rugby can engender. There were 43,000 people at the South Africa-England test match—a full house. It was a tremendous game. But I think that shows that WA has got the fan base and can support a quality team from Western Australia.

I also think we have the geographical advantage. Being placed between the eastern states, New Zealand and South Africa, there are time zone issues which favour Perth. It allows us to bridge the gap between South Africa, the eastern seaboard and New Zealand. Climate and lifestyle et cetera are also big advantages for basing the team there. There is a whole range of advantages of television rights from our time zone and geographical positioning.

There is also the case that the WA government and the rugby community have made a big effort to ensure the infrastructure is right. The state government has committed $25 million to upgrade Members Equity Stadium by adding 8,800 seats for a new capacity of 22,000, coaching, referee and corporate boxes, media facilities and function rooms. There has also been corporate sponsorship already organised of over $3 million and the development of a new $4 million base for WA rugby is likely to begin in a few months. This will double as the administrative and training headquarters for the Super 14 team.

So all the building blocks are in place for a very successful bid and for the success of a team if WA gets the nod. I do not want to knock the Victorian or Melbourne bid. They obviously have a number of strengths. But George Gregan and Peter Beattie cannot be wrong. They both back the Western Australian bid because they see Perth’s strengths in terms of its player base and the attractiveness as a venue in taking rugby to a national fan base and taking it across the continent to Western Australia.

So I think there are very strong arguments for Western Australia to be successful. I hope that the WA bid is successful. I congratulate the WA Rugby Union and all those involved in supporting the bid. I think that it would be a tremendous boost to Western Australia and a tremendous boost for rugby in WA. The thing that most commends the Western Australian bid is that a Perth based team would eventually make Australian rugby stronger. It would give us a national base and would help build a stronger foundation for rugby union in Australia. We have bipartisan support among the Western Australian Liberals, the Labor Party and the Democrats on this issue and, hopefully, that sort of political support will see WA successful in its bid for the fourth Australian team franchise.

Medlin, Professor Brian

Senator LEES (South Australia) (10.45 p.m.)—I rise this evening to mark the passing of Professor Brian Medlin, a great South Australian who died on 27 October this year.
Professor Medlin will be remembered by many South Australians for his very public leadership of the campaign to stop the war in Vietnam. For many, the enduring image of Brian is as the long-haired professor of philosophy, spreadeagled between two policemen and dragged from the front of the anti-Vietnam War march in September 1970. Along with many others, Brian Medlin was arrested that day and, after a trial that was widely condemned for its distorted, incoherent and contradictory testimony, he was imprisoned. He was released three weeks later but his incarceration was noted publicly and, indeed, supporters kept a candlelight vigil outside the Adelaide jail. Few of us are ever called upon to go to jail for our beliefs. However, as public as his own contribution to the antiwar movement was, throughout his life Brian Medlin continued to insist that there were many campaigners who did much more than he did, and that in itself tells us a lot about the man.

Brian Medlin was born in 1927 in Orroroo in the mid-north of South Australia. He grew up in Adelaide, attending Richmond primary and Adelaide technical high school. While at secondary school in Adelaide, the Adelaide poet Flexmore Hudson introduced young Medlin to the work of Bertrand Russell and thus set him on his life’s course. After graduating from Adelaide tech in the mid-1940s, Medlin took a position as a storekeeper on the Victoria River Downs station. Already a prodigious reader, the 18-year-old spent his time reading the books he would be sent up regularly from Mary Martin’s bookshop. Staying on in the Territory after resigning from Victoria River Downs, Brian Medlin was variously a kangaroo shooter, a stockyard builder, a horse breaker and a drover with his own plant. Once, at the request of a boss drover Matt Savage, Medlin took a mob of 60 horses across the Tanami to the Western Australian coast accompanied only by Savage’s 12-year-old daughter and her uncle. He was immensely proud of his time and his achievements in the Territory. Indeed, they marked him for life.

Returning to Adelaide in the 1950s, Medlin worked as a clerk for Ansett Airways and as a teacher at Adelaide tech. Meanwhile, he enrolled at Adelaide University to study English, Latin and philosophy. At this time he became increasingly active in the cultural and literary life of Adelaide. He wrote poetry and he moved in Adelaide’s literary circles, which included the likes of John Bray, Mary Martin, Charles Jury, Max Harris, Douglas Muecke and Michael Taylor. Brian Medlin’s intellect and capacity for comprehension were reflected in his academic results. He graduated with first-class honours in 1958, having established himself as a brilliant philosopher of great promise.

He then went on to Oxford on a Kennedy research scholarship and with some financial support from his friend Charles Jury. During his overseas sojourn he taught philosophy for a year in the newly independent Ghana before returning to England in 1961 to take up a research fellowship at New College, Oxford. Brian Medlin was highly regarded at Oxford and it was here he met Iris Murdoch with whom he corresponded off and on for most of his life.

In 1964 Brian Medlin returned to Australia to take up a research readership at the University of Queensland. In 1967 he was appointed Foundation Professor of Philosophy at the Flinders University of South Australia. By this time he had published significant articles in several areas of philosophy, including the much anthologised ‘Ultimate principles and ethical egotism’ and ‘The unexpected examination’. Medlin also contributed very significantly to work in the area of the philosophy of the mind.
It was in his academic post at Flinders University that Professor Medlin came to wider attention. He brought to his teaching charisma, dramatic flair and rigorous argument. His students remember him as a teacher who demanded hard work and who was scathing of shoddy thinking. Brian Medlin was nonetheless a sympathetic, generous and amusing teacher. He encouraged his students to see philosophy not merely as an intellectual pursuit but as something integral to their daily lives.

Australia’s participation in the war in Vietnam appalled Brian Medlin. His own experiences in the antiwar campaign and the attacks on him and his fellow campaigners led him to study the nature of the society that gave rise to wars such as the one in Vietnam. Committed to democracy in all areas of society, including the workplace, Professor Medlin set up a democratic staff-student consultative committee. In the following years under his stewardship a number of courses that were then seen as very radical were introduced, including the first women’s studies course in Australia as well as the highly innovative and influential course, politics and art.

After a serious motorcycle accident in 1983, Professor Medlin retired early, in 1988, after which he was named emeritus professor. He settled in the Wimmera with his wife, Christine Vick, and they worked there to return what effectively were 10 completely rundown acres into wonderful bushland that was covenanted, and they published their findings as they went. Medlin and Vick were awarded an Environmental Hero Award, Wimmera, 2004, for their work.

In his later years Brian Medlin maintained his passionately active interest in all things including history, current affairs, science, natural history and photography. To the time of his death, he continued to write philosophy and exchange correspondence with friends and academics all over the world. Brian Medlin is survived by his wife, Christine, his children Barnabus, Margaret, Jake and Bruno, and his stepdaughters, Alice and Rebecca.

**Senators’ Interests**

Senator LIGHTFOOT (Western Australia) (10.52 p.m.)—In the 10 minutes available to me tonight I want to continue with the contribution that I made in relation to the Workplace Relations Amendment (Agreement Validation) Bill 2004 with respect to the Swiss commodity trader, Xstrata, on 2 December. In response to Xstrata’s comments of recent times:

Xstrata notes the comments made yesterday by Senator Ross Lightfoot in the Australian Senate regarding Xstrata. Xstrata regards the Senator’s comments as defamatory and entirely untrue. Xstrata is particularly concerned that the Senator’s personal commercial interests in Precious Metals Australia (PMA), revealed by him shortly after his statement, are made known.

This is untrue. I own a relatively small number of options, not shares as Xstrata said, in Windimurra royalty owner PMA. Is the Swiss commodities investor Xstrata suggesting that my comments in the Senate on 2 December regarding Xstrata’s closure and the destruction of Windimurra and proposed acquisition of WMC are in any way connected with my minor holding of $2,800 worth of options in PMA? Presumably such a suggestion is defamatory.

It was I who made the holding known, not Xstrata, and it was I who made my interests known as well prior to my speech. I am only one of a number of parliamentarians, senators and state MPs who have expressed concern at Xstrata’s appalling actions. My entry on the senators’ interests register also reflects my meagre holding and this was divulged before my contribution on 2 December. The
options are exercisable at $2, the shares are currently selling, as I understand, at about 14c. Xstrata has stated:

Precious Metals Australia (PMA) currently receives a payment of AUD500,000 per annum from Xstrata. Following the full rehabilitation of the closed operation at Windimurra, PMA will cease to receive this revenue.

This is the truth. The fact is that of Xstrata payments to PMA only the minimum payment of half a million dollars required by the royalty agreement was ever initiated. If the mine were operating, the royalty payments to PMA for 2004 would be approximately $15 million based on 2004 average metal prices.

Remember, the proven reserves are for a 25-year life and the potential ore of the mine indicates 100 years of mine life and makes that vanadium deposit the biggest by far in the world. The Swiss company Xstrata have stated:

In response to Senator Lightfoot’s remarks, Xstrata confirms the following:

• Xstrata is a significant and long-term investor in Australia, with over 8,400 employees in Australia. The Group has invested over AUD8.5 billion in Australia since 2002 and has over AUD1.9 billion of capital expenditure committed at its Australian operations over the next 3 years.

But Xstrata as a long-term investor only began in 1998. WMC, which they have targeted, began over 100 years ago. Let me go back to the Swiss company, which said:

• Xstrata has a track record in Australia—presumably only beginning since 1998—of investing in its assets, devolving responsibility and key functions from head office—that means sacking people—to its operations and managing its operations efficiently. Since Xstrata acquired MIM last year, over 350 new jobs have been created at Mount Isa and operations previously set to close have been rejuvenated, to the benefit of local communities, employees and Australia as a whole.

But Xstrata also sacked over 250 MIM head office staff plus 120 exploration personnel. Xstrata seems incongruously proud of this fact of sacking so many office workers, which is something of a quandary for me.

Xstrata stated:

• Xstrata first invested in Windimurra in 1998,—that was their first investment in Australia—

• and the plant began production in early 2000.

This is the biggest vanadium deposit in the world. Xstrata went on:

• The operation lost money from the first day of its production and in February 2003, production at Windimurra was suspended and the operation was put into care and maintenance while Xstrata sought a solution that would allow the project to restart.

This is totally untrue. Xstrata suspended production in February 2003, citing a low vanadium price, then at $US1.40 a pound. However, they failed to reopen the mine when the prices rose, instead closing it permanently in May 2004 when the price was over $US6 per pound. The price is currently over $US9 per pound.

A parliamentary inquiry in Western Australia found that the operation cost at Windimurra was just $US1.60 per pound in 2002. This is a massive profit margin by anyone’s estimate. Xstrata also stated:

• The decision to close Windimurra permanently was finally taken in 2004, following a thorough assessment of the project’s long-term viability, which concluded that Windimurra would not be profitable over the long-term and that the further investment required to restart production at the plant could not be justified. The decision to close the operation was made based on the economics of Windimurra on a standalone basis.

This is the truth but the Western Australian parliamentary inquiry convened to investigate the operation and closure of Windimurra
reached a different conclusion. The inquiry found that Windimurra would have made a profit in 2004 if it had operated and would have been ‘economically sustainable in the long term’. The inquiry found that the closure of Windimurra was, at least in part, probably in significant part, responsible for the increase in vanadium prices, which benefited Xstrata’s South African vanadium production from its Rhovan Mine.

Xstrata further stated:
• There has been no criticism of Xstrata’s treatment of its employees or its conduct in fulfilling all of its environmental obligations to rehabilitate the site fully—a process which is ongoing.

This is untrue. These are the most recent facts. Xstrata is yet to rehabilitate the Windimurra site, so its fulfilment of environmental obligations is yet to be tested. The environmental closure statement and rehabilitation plan has not been finalised by the WA Department of Environment. Precious Metals Australia has requested a copy of the draft plan under the freedom of information legislation but Xstrata have blocked its release. Xstrata says:
• The Western Australian Government did not provide “start-up” money or make any direct investment in Windimurra—

That is contrary to my Senate speech on 2 December. Xstrata says that the WA government’s:
AUD30 million investment was made in infrastructure which remains a public asset available for current and future use. The financial loss associated with the closure of Windimurra has been borne by Xstrata’s shareholders, who have invested and lost AUD186 million in the project.

This is untrue. The fact is that this is a disingenuous statement given that the WA government, together with its partners AGL and the Australian Pipeline Trust, spent $60 million building a 365-kilometre pipeline to a dedicated power station at Windimurra. The owners have written the asset value down to scrap value due to the closure. There are no other current or proposed users in the Windimurra region, and the power station has been scrapped. The Western Australian parliamentary inquiry found that the WA government also faced a $16.5 million interest bill on borrowings used to fund its share of the infrastructure. Precious Metals shareholders have borne a loss of more than $30 million, which, because of the closure of Windimurra, they may only recover through legal action against Xstrata. Xstrata shareholders gain a substantial benefit from Xstrata’s competing vanadium mine in South Africa, resulting from the sacrifice of Windimurra production. These benefits are not shared by the WA government, the public, the government’s infrastructure partners or the shareholders of PMA. I quote again from Xstrata:
• Marc Rich has never been associated with Xstrata in any way. Mr Rich has also had no association with Glencore, a major shareholder in Xstrata, for over a decade.

• Xstrata plc is a British company and has its primary listing on the London Stock Exchange, with its headquarters in Switzerland.

That is misleading at best. Xstrata is in fact a British non-resident company. It is resident in Zug in Switzerland, with its headquarters in Baar, Switzerland, as is Xstrata’s parent company, Glencore International AG. The majority of Xstrata directors, including its chairman, are Swiss. Xstrata was floated on the Zurich Stock Exchange and only recently dual listed on the London Stock Exchange. The company is not listed on the Australian Stock Exchange as are other foreign majority owned companies, which include Rio Tinto and News Corp.

Western Mining Corporation is a majority owned Australian company which has been listed for many years on the ASX. It is a treasure trove of assets, including the largest
reserve of uranium in the world, the largest copper deposit in Australia and significant gold reserves, all in the 2.5 billion tonne ore body, a resource of inestimable value to successive generations of our children. It is of such importance to the country’s future that any tampering with its varied minerals such as that which occurred would be disastrous.

(Time expired)

Senator LIGHTFOOT—I seek leave to incorporate the balance of my speech.

Leave not granted.

Senate adjourned at 11.02 p.m.

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:


Defence Act—Determination under section 58B—Defence Determination 2004/47.

Disability Discrimination Act—Disability Standards for Accessible Public Transport Amendment 2004 (No. 2).


Fisheries Management Act—Bass Strait Central Zone Scallop Fishery Management Plan Amendment 2004 (No. 1).