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SITTING DAYS—2005

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>8, 9, 10</td>
</tr>
<tr>
<td>March</td>
<td>7, 8, 9, 10, 14, 15, 16, 17</td>
</tr>
<tr>
<td>May</td>
<td>10, 11, 12</td>
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<tr>
<td>June</td>
<td>14, 15, 16, 20, 21, 22, 23</td>
</tr>
<tr>
<td>August</td>
<td>9, 10, 11, 15, 16, 17, 18</td>
</tr>
<tr>
<td>September</td>
<td>5, 6, 7, 8, 12, 13, 14, 15</td>
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<tr>
<td>October</td>
<td>4, 5, 6, 10, 11, 12, 13</td>
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<tr>
<td>November</td>
<td>7, 8, 9, 10, 28, 29, 30</td>
</tr>
<tr>
<td>December</td>
<td>1, 5, 6, 7, 8</td>
</tr>
</tbody>
</table>

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

- CANBERRA 1440 AM
- SYDNEY 630 AM
- NEWCASTLE 1458 AM
- GOSFORD 98.1 FM
- BRISBANE 936 AM
- GOLD COAST 95.7 FM
- MELBOURNE 1026 AM
- ADELAIDE 972 AM
- PERTH 585 AM
- HOBART 747 AM
- NORTHERN TASMANIA 92.5 FM
- DARWIN 102.5 FM
FORTY-FIRST PARLIAMENT
FIRST SESSION—SECOND 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 and Whips

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 Lynette Fay Allison
Liberal Party of Australia Whips—Senators Jeannie Margaret Ferris and Alan Eggleston
National Party of Australia Whip—Senator Julian John James McGauran
Opposition Whips—Senators George Campbell and Geoffrey Frederick Buckland
Australian Democrats Whip—Senator Andrew John Julian Bartlett

Printed by authority of the Senate
### Members of the Senate

<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abetz, Hon. Eric</td>
<td>Tas</td>
<td>30.6.2005</td>
<td>LP</td>
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<td>Allison, Lynette Fay</td>
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<td>30.6.2008</td>
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<td>Barnett, Guy (5)</td>
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<td>Boswell, Hon. Ronald Leslie Doyle</td>
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<td>Calvert, Hon. Paul Henry</td>
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<td>Campbell, George</td>
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<td>ALP</td>
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<td>Campbell, Hon. Ian Gordon</td>
<td>WA</td>
<td>30.6.2005</td>
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<td>Carr, Kim John</td>
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<td>Colbeck, Richard Mansell</td>
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<td>Denman, Kay Janet</td>
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<td>Eggleston, Alan</td>
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<td>30.6.2008</td>
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<td>Ellison, Hon. Christopher Martin</td>
<td>WA</td>
<td>30.6.2005</td>
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<td>Evans, Christopher Vaughan</td>
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<td>Faulkner, Hon. John Philip</td>
<td>NSW</td>
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<td>Ferguson, Alan Baird</td>
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<td>Forshaw, Michael George</td>
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<td>Greig, Brian Andrew</td>
<td>WA</td>
<td>30.6.2005</td>
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<td>Harradine, Brian</td>
<td>Tas</td>
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<td>Ind</td>
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<td>Harris, Leonard William</td>
<td>QLD</td>
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<td>PHON</td>
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<td>Heffernan, Hon. William Daniel</td>
<td>NSW</td>
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<td>Hill, Hon. Robert Murray</td>
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<td>Johnston, David Albert Lloyd</td>
<td>WA</td>
<td>30.6.2008</td>
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<td>Kemp, Hon. Charles Roderick</td>
<td>VIC</td>
<td>30.6.2008</td>
<td>LP</td>
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<tr>
<td>Kirk, Linda Jean</td>
<td>SA</td>
<td>30.6.2008</td>
<td>ALP</td>
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<td>Knowles, Susan Christine</td>
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<td>LP</td>
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<td>Lees, Meg Heather</td>
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<td>30.6.2005</td>
<td>APA</td>
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<td>Lightfoot, Philip Ross</td>
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<td>30.6.2008</td>
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<td>Ludwig, Joseph William</td>
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<td>Lundy, Kate Alexandra (3)</td>
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<td>McGauran, Julian John James</td>
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<td>30.6.2005</td>
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<td>Mackay, Susan Mary</td>
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<td>30.6.2008</td>
<td>ALP</td>
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<td>McLucas, Ian Elizabeth</td>
<td>QLD</td>
<td>30.6.2005</td>
<td>ALP</td>
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<td>Marshall, Gavin Mark</td>
<td>VIC</td>
<td>30.6.2008</td>
<td>ALP</td>
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<td>Mason, Brett John</td>
<td>QLD</td>
<td>30.6.2005</td>
<td>LP</td>
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<td>Minchin, Hon. Nicholas Hugh</td>
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<td>30.6.2005</td>
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<td>Moore, Claire Mary</td>
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<td>30.6.2008</td>
<td>ALP</td>
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<td>Murphy, Shayne Michael</td>
<td>TAS</td>
<td>30.6.2005</td>
<td>Ind</td>
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<td>Murray, Andrew James Marshall</td>
<td>WA</td>
<td>30.6.2008</td>
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<td>Nettle, Kerry Michelle</td>
<td>NSW</td>
<td>30.6.2008</td>
<td>AG</td>
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<td>O’Brien, Kerry Williams Kelso</td>
<td>TAS</td>
<td>30.6.2005</td>
<td>ALP</td>
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<td>Patterson, Hon. Kay Christine Lesley</td>
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<td>30.6.2008</td>
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<td>Payne, Marise Ann</td>
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<td>Ray, Hon. Robert Francis</td>
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<td>ALP</td>
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<td>Ridgeway, Aden Derek</td>
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<td>Santoro, Santo (6)</td>
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<td>Scullion, Nigel Gregory (1)</td>
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<td>Sherry, Hon. Nicholas John</td>
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<td>30.6.2008</td>
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<td>Stephens, Ursula Mary</td>
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<td>30.6.2008</td>
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<td>Stott Despoja, Natasha Jessica</td>
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<td>30.6.2008</td>
<td>AD</td>
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<td>Tchen, Tsebin</td>
<td>VIC</td>
<td>30.6.2005</td>
<td>LP</td>
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<td>Tierney, John William</td>
<td>NSW</td>
<td>30.6.2005</td>
<td>LP</td>
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<td>Troeth, Hon. Judith Mary</td>
<td>VIC</td>
<td>30.6.2005</td>
<td>LP</td>
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<td>Vanstone, Hon. Amanda Eloise</td>
<td>SA</td>
<td>30.6.2005</td>
<td>LP</td>
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<td>30.6.2008</td>
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<td>Webber, Ruth Stephanie</td>
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<tr>
<td>Wong, Penelope Ying Yen</td>
<td>SA</td>
<td>30.6.2008</td>
<td>ALP</td>
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</tbody>
</table>

(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

iii
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 Bussiness 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
The Hon. Kim Christian Beazley MP

Deputy Leader of the Opposition and Shadow Minister for Education, Training, Science and Research
Jennifer Louise Macklin MP

Leader of the Opposition in the Senate and Shadow Minister for Social Security
Senator Christopher Vaughan Evans

Deputy Leader of the Opposition in the Senate and Shadow Minister for Communications and Information Technology
Senator Stephen Michael Conroy

Shadow Minister for Health and Manager of Opposition Business in the House
Julia Eileen Gillard MP

Shadow Treasurer
Wayne Maxwell Swan MP

Shadow Minister for Industry, Infrastructure and Industrial Relations
Stephen Francis Smith MP

Shadow Minister for Foreign Affairs and International Security
Kevin Michael Rudd MP

Shadow Minister for Defence and Homeland Security
Robert Bruce McClelland MP

Shadow Minister for Trade
The Hon. Simon Findlay Crean MP

Shadow Minister for Primary Industries, Resources and Tourism
Martin John Ferguson MP

Shadow Minister for Environment and Heritage and Deputy Manager of Opposition Business in the House
Anthony Norman Albanese MP

Shadow Minister for Public Administration and Open Government, Shadow Minister for Indigenous Affairs and Reconciliation and Shadow Minister for the Arts
Senator Kim John Carr

Shadow Minister for Regional Development and Roads and Shadow Minister for Housing and Urban Development
Kelvin John Thomson MP

Shadow Minister for Finance and Superannuation
Senator the Hon. Nicholas John Sherry

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
Tanya Joan Plibersek MP

Shadow Minister for Employment and Workplace Participation and Shadow Minister for Corporate Governance and Responsibility
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      | Joel Andrew Fitzgibbon MP          |
| Revenue and Shadow Minister for Banking and          |                                           |
| Financial Services                                  |                                           |
| Shadow Attorney-General                              | Nicola Louise Roxon MP              |
| Shadow Minister for Regional Services, Local         | Senator Kerry Williams Kelso O’Brien |
| Government and Territories                          |                                           |
| Shadow Minister for Manufacturing and Shadow         | Senator Kate Alexandra Lundy        |
| Minister for Consumer Affairs                         |                                           |
| Shadow Minister for Defence Planning, Procurement,  | The Hon. Archibald Ronald Bevis MP   |
| Personnel and Shadow Minister Assisting the Shadow   |                                           |
| Minister for Industrial Relations                     |                                           |
| 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, Disabilities and Carers  | Senator Jan Elizabeth McLucas       |
| Shadow Minister for Justice and Customs,             | Senator Joseph William Ludwig       |
| Shadow Minister for Citizenship and Multicultural    |                                           |
| Affairs and Manager of Opposition Business in the    |                                           |
| Senate                                               |                                           |
| Shadow Minister for Pacific Islands                  | Robert Charles Grant Sercombe MP    |
| Shadow Parliamentary Secretary to the Leader of the  | John Paul Murphy MP                 |
| Opposition                                           |                                           |
| 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       | Jennie George MP                    |
| and Heritage                                         |                                           |
| Shadow Parliamentary Secretary for Infrastructure    | Bernard Fernando Ripoll MP          |
| Shadow Parliamentary Secretary for Health            | Ann Kathleen Corcoran MP            |
| Shadow Parliamentary Secretary for Regional          | Catherine Fiona King MP             |
| Development (House)                                  |                                           |
| Shadow Parliamentary Secretary for Regional         | Senator Ursula Mary Stephens        |
| Development (Senate)                                 |                                           |
| Shadow Parliamentary Secretary for Northern          | The Hon. Warren Edward Snowdon MP   |
| Australia and Indigenous Affairs                     |                                           |

Vii
CONTENTS

MONDAY, 14 MARCH

Chamber
Business—
Consideration of Legislation ................................................................. 1
Aboriginal and Torres Strait Islander Commission Amendment Bill 2004 [2005]—
Second Reading .................................................................................... 1
Ministerial Arrangements ................................................................. 22
Questions Without Notice—
Health Insurance: Premiums .......................................................... 22
Private Jamie Clark ........................................................................... 24
Health Insurance: Premiums .......................................................... 24
Small Business ................................................................................... 26
Taxation .............................................................................................. 27
Budget: Surplus ............................................................................... 29
Regional Services: Program Funding .............................................. 30
Trade: Free Trade Agreement ....................................................... 31
Telstra ............................................................................................... 32
Family and Community Services: Senior Australians ......................... 33
Telstra: Privatisation ......................................................................... 34
Immigration: Asylum Seekers ....................................................... 35
Anzac Cove ....................................................................................... 36
Questions Without Notice: Additional Answers—
Crime: People Trafficking ............................................................... 37
Questions Without Notice: Take Note of Answers—
Taxation .......................................................................................... 38
Telstra ............................................................................................... 38
Notices—
Presentation .................................................................................. 45
Leave of Absence ............................................................................ 49
Notices—
Postponement ............................................................................... 49
Committees—
Environment, Communications, Information Technology and the Arts References Committee—Reference ................................................. 50
Matters of Public Importance—Private Health Insurance .................. 50
Personal Explanations ...................................................................... 64
Committees—
Economics Legislation Committee—Meeting .................................. 65
Parliamentary Zone—
Proposal for Works ........................................................................ 65
Budget—
Consideration by Legislation Committees—Report .......................... 65
Consideration by Legislation Committees—Report .......................... 65
Consideration by Legislation Committees—Additional Information 70
Committees—
ASIO, ASIS and DSD Committee—Report ..................................... 70
Council of the National Library of Australia .................................... 71
CONTENTS—continued

Workplace Relations Amendment (Small Business Employment Protection) Bill 2004—
Report of Employment, Workplace Relations and Education Legislation Committee..... 72
Workplace Relations Amendment (Right of Entry) Bill 2004—
Report of Employment, Workplace Relations and Education Legislation Committee..... 72
Aboriginal and Torres Strait Islander Commission Amendment Bill 2004 [2005]—
Second Reading................................................................................................................. 72
In Committee................................................................................................................... 94
In Committee................................................................................................................... 111
Third Reading.................................................................................................................. 112
Business—
Rearrangement.................................................................................................................. 113
Appropriation (Tsunami Financial Assistance) Bill 2004-2005 and
Appropriation (Tsunami Financial Assistance and Australia-Indonesia Partnership) Bill 2004-2005—
Second Reading................................................................................................................ 1 13
Adjournment—
Australian Arabic Council ............................................................................................. 120
Multicultural Affairs: Living in Harmony Program ......................................................... 120
Taxation: Policy ............................................................................................................... 122
Immigration: Detainees ................................................................................................. 124
Tasmania: GST Revenue ............................................................................................... 126
Documents—
Tabling........................................................................................................................ ...... 128
Indexed Lists of Files ....................................................................................................... 13 0
Questions on Notice
Aviation: Security—(Question No. 1) .............................................................................. 131
Employment and Workplace Relations: Advertising Campaign—(Question No. 115) .... 131
Regional Services: National Equine and Livestock Centre—(Question No. 141) ......... 132
Transport: Infrastructure—(Question No. 181)............................................................... 136
Aviation: Air Safety—(Question No. 182) ..................................................................... 136
Transport: Alice Springs to Darwin Railway—(Question No. 183) ............................... 138
Shipping: Containers and Port Access—(Question No. 190) ......................................... 139
Aviation: Regional Aviation and Island Transport Services Report—(Question No. 241) ................................................................. 140
Aviation: Airports—(Question No. 243) ......................................................................... 140
National Christmas Tree—(Question No. 256) ............................................................... 141
Norfolk Island: Administrator—(Question No. 274) ....................................................... 143
Indian Ocean Territories: Administrator—(Question No. 275) ...................................... 143
Regional and Rural Information and Data Program—(Question No. 286) ................. 144
The PRESIDENT (Senator the Hon. Paul Calvert) took the chair at 12.30 p.m. and read prayers.

BUSINESS

Consideration of Legislation

Senator COONAN (New South Wales—Minister for Communications, Information Technology and the Arts) (12.31 p.m.)—At the request of Senator Ellison, I move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the following bills, allowing them to be considered during this period of sittings:

Appropriation (Tsunami Financial Assistance) Bill 2004-2005

Question agreed to.

ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION AMENDMENT BILL 2004 [2005]

Second Reading

Debate resumed from 10 March, on motion by Senator Ellison:

That this bill be now read a second time.

upon which Senators Carr, Ridgeway and Nettle had moved by way of an amendment:

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

(a) notes:

(i) that the Government’s ‘practical reconciliation’ agenda has failed to improve outcomes for Indigenous Australians,

(ii) that there is no evidence that mainstreaming of service delivery will in any way help to address Indigenous disadvantage,

(iii) the Government’s failure to advance the goal of reconciliation between Indigenous and non-Indigenous Australians,

(iv) the Government’s failure to negotiate a treaty with Indigenous Australians or to guarantee self-determination for Australia’s Indigenous people, and

(v) that the abolition of Indigenous representative organisations will serve to further marginalise Australia’s Indigenous citizens;

(b) condemns the Government for failing to:

(i) consult or negotiate with Indigenous Australians on the provisions of the bill, and

(ii) develop a new legislative and administrative model that restores the right of Indigenous Australians to be responsible for their own future, despite the international evidence demonstrating that this approach delivers the best practical outcomes;

(c) supports the implementation of new legislative and administrative arrangements that restore responsibility and opportunity for Indigenous Australians; and

(d) calls on the Government to:

(i) guarantee that Indigenous communities will be genuine partners in the policy development and the delivery of services,

(ii) ensure that a properly resourced regional representative structure is developed according to the preferences of Indigenous communities, and

(iii) consult with Indigenous people for the purpose of negotiating the establishment of a new national Indigenous representative body whose members are chosen by Indigenous people”.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (12.31 p.m.)—I join my colleague Senator Ridgeway in indicating the Democrats’ very strong opposition to the Aboriginal and Torres Strait Islander Commission Amendment Bill 2004 [2005]. We oppose it because it goes against the fundamental objectives of self-determination. ATSIC was elected by Indigenous people
and, imperfect an organisation as it might or might not be, in our view it is not for government—this government or the next—to dismantle it. Self-determination means exactly what it says. The problem is that the government does not mean what it says when it talks about practical reconciliation for Indigenous Australians. There can be no greater expression of practical reconciliation than to allow people to make their own decisions, such as who represents them. In fact, this country went to war in Iraq for that very reason—in order to give the Iraqi people the right to be represented democratically. Apparently, it is okay for Iraqis but not for Aboriginal people.

I was surprised, listening to Senator Carr last week, to know that the ALP will support this bill. I think that is a great disappointment. The Democrats hold the view that ATSIC was capable of being reformed. In fact, we think that going along the lines recommended by the ATSIC review report would have been a good start. But for the ALP to join the Howard government in collapsing ATSIC, wiping it out altogether, is going entirely in the wrong direction. Senator Carr said that the Howard government had failed Indigenous Australians. He talked about Prime Minister Paul Keating, who said that if you can imagine injustice then we can have justice. He said that in 1993. Twelve years later, it is disappointing to see that the ALP has not followed that claim.

We think a structure that reflects the interests of Indigenous people is important. We think it is also important that people get what is rightfully theirs as part of a democratic country. So it is hard to understand how it is that the ALP—condemning the government, as we do, throughout this second reading debate for its lack of will in addressing injustice for Indigenous people—has so readily joined the government in axing the structure set up by the ALP when it was in government. As the one Indigenous parliamentarian in this place, Senator Aden Ridgeway, said earlier, the government has been deceitful, paternalistic and, in the case of ATSIC, grossly overreactive. It is quite obvious that the government and the ALP are not listening to Aboriginal people. Apparently, they do not want to see an elected body in place.

I think it is pretty obvious that the attack on Indigenous Australians came very early on in this government’s first term. Native title came under attack and was watered down so greatly that it means very little now. ATSIC funds have been cut. ATSIC board members were demonised and blamed for failures in the government’s own departments. The government spread the message that Indigenous people could not be relied upon to handle financial matters and that they could not be trusted to manage their own affairs. The catchcry now is that we must have shared responsibility and mutual obligation, as if there is none at present. I think Aboriginal people are being treated like children: ‘We’ll give you petrol bowers if you’ll wash your children’s faces.’ In other words, it is a handout mentality in return for good behaviour.

But we never hear about the decisions that have been made on behalf of Indigenous people that have been disastrous and have led to so much disadvantage in Indigenous communities. The stolen generation saw decisions made by non-Indigenous people that still affect lives today. Past deeds moved people off traditional lands. The sale of grog right now in many places cynically exploits addiction and dependence. There is also the lack of services, the discrimination that says that Indigenous people are overlooked for opportunities that we take for granted and the lack of understanding about language and culture. I have spoken in the past in this place about the fact that, as a child, I knew much more about New Zealand Maoris than
I did about Indigenous Australians. That continues. Today it may be slightly better, but, as I move around, I do not see any evidence that there is a great deal of understanding or knowledge of the language or culture of our Indigenous Australians. I think we lack pride in this ancient heritage in this country.

There are different rules for Indigenous people. In the Northern Territory, for instance, the way schools are funded is different for Indigenous community schools. The result is that they are disgracefully under-funded. The education committee is midway through an inquiry into the changes that the government has made to Indigenous education funding. We were astounded, both this time and the previous time that we looked into Indigenous education, to see schools where, quite frankly, Third World conditions apply, where very little funding has been injected into those schools and where different rules apply to the way the funds flow. For instance, in the Northern Territory, schools are funded for average attendance, which means that they are often grossly overcrowded, which is a disincentive for children to go to school.

The raiding of an Aboriginal radio station in more recent times, the decision to seize artworks, the tying up of ATSIC Cultural Education and Advancement Trust funds to keep them out of the hands of ATSIC trustees are examples of government interference and unreasonable attacks on Indigenous structures. There are countless cases of government decisions adversely affecting Indigenous Australians. That is apparently the black armband view of history, which has to be forgotten in this new era of what is called ‘shared responsibility’. We never hear about where Indigenous decision making is working very well and where Indigenous people who are allowed to make decisions for themselves are doing so with great success—the regional councils, for instance.

In our inquiry, we saw very good examples of groups of parents and Indigenous counsellors in largely Aboriginal schools getting together and determining their priorities for things like getting their children to school and providing nutrition so that they are able to better concentrate on their work. We found plenty of examples where this structure works extremely well, and yet this is another example of the government taking away that empowerment and that decision making. The decisions that were made on funding will be the subject of a report from our inquiry. I do not want to pre-empt that report but it was pretty obvious that those schools that had good decision making had better attendance, better school environments and far better levels of learning than those schools that had none. There is enormous disadvantage in those communities. One way of overcoming that disadvantage is to let people be part of the decision-making process. It is fundamental in everything we do. It is the same in an ordinary classroom. The more you involve people in the decisions which affect them, the greater their empowerment to make good decisions and improve their circumstances.

The Democrats are very disappointed to have to be debating this bill. We think that there are much more sensible ways of improving the governance of Indigenous affairs than to completely remove an elected body from its role. It is not as if we can say that Indigenous people have the same opportunities as the rest of us. They do not. It is not that we can say that they have got the same education levels or the same level of health. They still die 20 years younger than the general population. Drastic measures need to be taken, but not drastic measures to remove the only structure which is in place to give Aboriginal people a say and a chance to be represented democratically. This is a step entirely in the wrong direction and one which I think
the two major parties in this place should be ashamed of.

Senator LEES (South Australia) (12.41 p.m.)—The Aboriginal and Torres Strait Islander Commission Amendment Bill 2004 [2005] formally legislates for what is in fact already happening. The government has made funding decisions and also structural decisions that ATSIC is no longer going be supported, that it is in fact being abolished, that the delivery of services is going to be done by other means and that it will be done community by community.

I was one of those who heartily supported ATSIC. It was set up before my time in this place. I know that the hopes of many people, particularly Indigenous Australians, rested with ATSIC when it was set up in the late eighties. It has made a real difference to the lives of some Aboriginal people and to some Aboriginal communities, but unfortunately it has not been able to make the real difference that was hoped and dreamed for. The reasons that it was not successful are complex. Some of the key problems that it faced included a substantial lack of resources. But I refer in particular to the lack of power to be able to influence decisions by state, territory or federal departments and in some cases the total lack of any local government authority with which it could work and from which it could get some support for essential services—or, indeed, missing essential services—in the communities. That includes everything from roads to a variety of infrastructure programs. As I have travelled I have particularly noticed a lack of ability on the part of ATSIC to really influence education. I know it was not a key responsibility but, as I saw it, it was hindered in its attempts to really provide appropriate support. Although there were a number of successful programs, particularly cultural programs, that it funded, overall the results have not been very good.

I believe we do need a national, elected Indigenous body that represents Indigenous views, consults with Indigenous people and reports to various levels of government. But I believe that the actual delivery of services is a different issue. As I said, the idea in the eighties was that one body would do it all. But whether you look at housing, employment opportunities, education, training or sanitation—the list goes on—Indigenous communities are struggling to have their very basic, essential needs met. I constantly receive in my office letters from people who have visited communities or who have read articles. One I received recently was from a young student who had recently been in the north of South Australia. She wrote to me saying that she was appalled at what she saw on her visits and expressed her frustration that needs are still going unmet in this new century.

It is just over 15 years since ATSIC was established. On 5 March 1990, it came into being. We have to accept that, despite the huge and dedicated efforts by many Indigenous and non-Indigenous Australians, Indigenous leaders and communities, we still have this enormous gap between what Indigenous people are entitled to and what is actually out there. There are some positive results and pockets of work. The Future Leaders Program and the CDEP programs are just some examples of good community programs that have been implemented and have got good results. But, unfortunately, as I have travelled through Indigenous communities, I have seen that they have been few and far between.

I believe that we now need to take the next step in so many areas. The resources that ATSIC had access to were simply not sufficient. As I said, those resources were frequently held on to by state and territory governments. As we have already heard, particularly in the Northern Territory, those re-
sources were not shared adequately and fairly with Indigenous people. Just look at education. It is a prime example of where there was no ability to influence what was happening. Primary schools and preschools must cater adequately for all students who do not have English as their first language. But, often in Aboriginal services and Aboriginal schools that I visited, this was not the case.

To give some examples of what I have seen, I have visited a number of schools in the Northern Territory over the last few years and I found schools with 21, 25 or 26 kids and with only one teacher. In Adelaide, ESL requirements are that there is one teacher for every nine students who do not have English as a first language. Those schools would have had three and, in some cases, four teachers so that students could really have the opportunity to learn. In some schools that I visited, English was not even their second language; it was their third or fourth language. I am not suggesting for a moment that this was ATSIC’s fault. I am saying that we need another approach to deal with these problems. ATSIC simply had no power to negotiate through all of this. It was not their responsibility.

There are certainly some positives that are happening in Aboriginal education. In particular, I highlight what is happening at Woodville High School in my home state where approximately 50 talented students from the Pit lands have come down to Adelaide. They are based in a specific unit at Woodville High, boarding in Adelaide, with tremendous results. They have been joined by roughly 50 local Adelaide based Indigenous students, and it is a tremendously successful program. But this is not widespread.

Some remote communities have taken action into their own hands. On my reading of this legislation, and looking at what is already happening, this will be enhanced. I believe the opportunities for communities to step in and actually get what they want in education will be enhanced with this legislation. The Nyangatjatjara Aboriginal Corporation was established back in the mid-nineties by the Aboriginal communities of Imanpa, Mutujulu and Docker River. These communities are at the very southern part of the Territory, south of Alice Springs and in the northern part of the Pit lands. Two elders from each of these communities make up the board. Their priority from the beginning has been education. They do this by raising funds however they can scrape some money together. They run a roadhouse and they now have several tourist facilities. The money goes into Nyangatjatjara College.

They started with nothing. They borrowed dongas, caravans and prefabs that were used at a construction site. They were pretty dilapidated but they kept the sun off and a roof over the kids’ heads. When I visited, Indigenous kids were packed in and sleeping in bunks. There were 11 students per donga. You can imagine the stifling conditions in the summer without air-conditioning, but the kids were still going to school.

Previously, out of the whole southern part of the Territory south of Alice Springs, there have only been one or two students a year who completed year 12 in Alice Springs High School. When I visited Nyangatjatjara College in 2002, they had over 100 students enrolled. The way they run this school is different. It is the way they want to do it. The Aboriginal community want to run the school. For one term, boys are on the main campus at Yulara and the girls are back at the three community schools, which, in all bar one case, are temporary prefab buildings. Then they swap over. The next term the boys go back and the girls go to the campus. They keep swapping so that, in any one year, they each have two terms boarding at the college
They are already having very successful placements for work experience and are getting students ready to move on from the college through their last year or two and into employment. At the beginning of last year, they opened the first three classrooms so that they can get rid of some of those old portables and prefabs. I was able to secure nearly $2½ million in funding from the Minister for Education, Science and Training, Dr Nelson, to put in some proper accommodation so that students and teachers did not have to stay in caravans and dongas any longer. There is still an urgent need for more funding for that community and for that school. Hopefully, through the changes in this bill, that will be facilitated.

I will move on from education and look at some more general issues. As speaker after speaker have said, whatever statistics you use, Indigenous people are far worse off than the general population. The fact that most Indigenous people live more than 20 years less than the general population is but one example of that. Recent figures for the Territory show that the average life expectancy for Indigenous men is 47 years and 50 years for women. I think this sums it all up. I want to look specifically at health services. I actively supported the ALP, in the mid-1990s, taking responsibility for Indigenous health from ATSIC and placing it with the department of health. People have since asked why, although I find very few people opposed to what happened. The answer is simple: because the resources had not followed the responsibility. The states and territories were basically buck-passing and ATSIC, with few resources, was making terrible decisions, having to decide whether one community would have a basic immunisation program or whether another would get some money to buy some four-wheel drive vehicles to get elderly folk in for services and into hospital when it was needed. Since then, resources have flowed into Aboriginal health services far more than ever before and we are beginning to see results.

There have been some improvements in Aboriginal health—in particular, in infant mortality. In my home state, infant mortality rates have dropped from 12.6 deaths per 1,000 live births in 1995-96 to 9.1 deaths by 2001-03. This is still unacceptable. It is still far worse than in the Australian population generally where the figure is 4.4 deaths per 1,000 live births, but it is a move in the right direction. It is not just health services that are going to influence Indigenous people’s health. It is going to involve housing, sewerage, water, good roads, jobs, opportunities for education and training—and on and on. These all need fixing urgently and there is a very long way to go in most of those areas.

I did not take the decision to support the move of Aboriginal health services away from ATSIC easily. I visited many Indigenous communities at that time and I made the recommendation to my former party on the basis of those visits, and they supported my decision. I travelled in particular through the western and northern parts of New South Wales, from Broken Hill to Bourke and on to Brewarrina, with Barb Flick. I want to mention Barb here as she is one of the many highly talented and committed Indigenous women who have made such a difference to their communities. She was one of those at the time who were wholeheartedly in support of the responsibility shifting from ATSIC. At that time I also visited the North Coast of New South Wales, Alice and some other places in the Territory. There was angst, at that time, about the move of those services. Now, as I again move around Indigenous communities—I have not been back to all of those, but I have been to most of them and on to others—I see that it is supported. I
think Indigenous health services are working better than they have ever worked before.

Let us look at housing, where I know there have been changes over very recent times. Just two or three years ago, the gap between what was out there by way of resources and what was needed, and what communities actually wanted, was still absolutely massive. I have seen some excellent housing programs, particularly in the Wadi Packi communities in the south-west of New South Wales, where the local people had a say in construction. They have been involved in training their young people to be a part of the construction teams and to also then be able to do repair work in the future. But I have seen far too many communities with dilapidated, overcrowded, inappropriate housing and this sets, I believe, a tone of hopelessness and frustration.

I have also seen some very badly designed new houses that have been foisted on Aboriginal communities, basically because they had no choice. I hope that, with the community involvement in this new method of delivering services, that too will be a thing of the past and that we will not be foisting triple-fronted brick veneers on people in remote parts of the country—that they will actually work from the drawing board and all their young people will be trained to help to build those houses and to maintain them in the longer term. There are huge numbers of jobs waiting to be done in Aboriginal communities. A lack of training and a lack of opportunity are stopping Aboriginal people from fully participating in their communities.

Looking at the new model that is evolving, it will be quite some years, I would imagine, before we see any significant impact right across Australia. I have been involved with an overseas aid agency, Plan—or what was known as Foster Parents Plan—for over 25 years. Their program has always involved consultation with local communities and breaking through the red tape so that you do not have various ideas, disconnected opportunities and pockets of money. It involves actually sitting down with communities and looking at what their hopes and dreams are for the next 10 or 20 years, putting in place the basics and then letting the communities get on with it. Hopefully, the new programs that are evolving will involve cutting through some of the red tape here in Australia and not any longer having 20 or 30 visits to communities from different programs or different departments at state, territory and federal levels. All of the pilots we have seen over the years seemed to vanish and need heaps more paperwork.

Senators on both sides of this argument, both those supporting this bill and opposing this bill, have listed the statistics detailing all of the areas where Indigenous Australians are falling so far behind. I argue that something has to change. It was, after all, the Labor Party who said that they would abolish ATSIC—not reform or restructure ATSIC, but abolish ATSIC. We now have the government doing it. This is not the way that I would have liked to have seen it done. Those of us on the crossbench have major concerns about the lack of consultation and involvement. But there do seem to be, as you go through what is planned, opportunities down the track for further involvement and for Aboriginal communities to have a lot more say than they have in the past, community by community. I am not talking now about a national elected body, which I think should go hand-in-hand with this; I am talking about service delivery.

As I have travelled, I have not really found in most Aboriginal communities a strong attachment to ATSIC. At best, I would say most people were ambivalent or non-committal. In some communities there has been a lot of support, but in a lot of commu-
nities there has been some real angst about what was happening and about the lack of services. I think this has been driven by the lack of resources that ATSIC has had to survive with. The Indigenous coordination centres that have been established and the trials that we are seeing in each state now seem to be attracting support. One indicator is that we seem to have more kids going to school in a number of cases. In the Territory, where underfunding of education has been a historic reality, it seems that there are more kids attending school at the trial site there. Indeed, there are so many that they need more desks.

I conclude by saying that a part of all of this is that we cannot just focus on service delivery, where I think the government has got it right. I think we also need to look at a national Indigenous body that is elected and that is resourced properly—and also at an apology. Unless we get all parts of this right, I do not see that we will get the quick answers that we need as far as Indigenous people are concerned. Hopefully, this new body will see the end to the buck-passing, cost shifting and blame shifting between all the various departments at state, territory and federal levels. In particular, one of the reasons that I will be supporting this legislation is that basically the buck stops over there—although the Minister for Immigration and Multicultural and Indigenous Affairs is not with us at the moment. Basically, Senator Vanstone is saying to us: ‘Leave it to me. It is with the federal government now; if services don’t improve, that is where the buck will stop.’ So, hopefully, on the service delivery front, we will see major improvements and we will see Aboriginal communities involved in the planning for their future. Hopefully, we will see Indigenous people, particularly young people, trained in the service delivery and also in putting the infrastructure in place in their communities.

Senator EGGLESTON (Western Australia) (12.59 p.m.)—Many years ago when I was a doctor at the Port Hedland Regional Hospital, way back in 1975, I was invited to attend an Aboriginal bush meeting on the banks of the Coongan River near Marble Bar. The Pilbara Aborigines used to hold these meetings every quarter. They would have about 300 people there who would come from all over the Pilbara—people from around Onslow and people from the desert communities in the east, some of whom did not speak English. There was no agenda at these meetings—anybody could raise any issue that they wished to—and they lasted for three or four days until everybody had talked themselves out. I was invited there to talk about the health service at the Port Hedland Regional Hospital. They had concerns about the way some Indigenous people were treated in the outpatient department which I had to answer for and explain away, which I did my best to do. But it made me conscious of the fact that the Aborigines were very aware of the rest of society and that we were perhaps a little naive to think that these people did not understand how the rest of mainstream Australia worked.

The issues identified by the people gathered there over that weekend as being the most important problems faced by Indigenous people were health, housing, education and what they described as ‘the grog problem’. Alcoholism was recognised by them as the biggest problem facing the Aboriginal communities in the north. It was equally made clear that the issues that the politically active white advisers and their politically active Aboriginal friends were pushing, such as native title and land rights, were not the priority issues of the ordinary Indigenous people of the Pilbara. For me, this meeting was a turning point in my understanding of what the objectives of ordinary Aboriginal people really were. I came to the conclusion
that in fact these objectives were really no different to those of the rest of the Australian community. As I said, they saw health, education and housing as their chief problems.

I thought that the problem then was one of implementation in order that benefits could be brought to Indigenous people in terms of health services, education, housing and so on—these very practical measures and very practical matters. I thought that when ATSIC was set up in 1990 the new organisation would be able to take leadership in delivering better on-the-ground services to the Indigenous people of Australia and ensuring that the needs of the Aboriginal people of Australia were adequately provided for. But, sadly, this proved not to be the case.

I have to start by saying that, after all the high hopes which surrounded the establishment of ATSIC in 1990 by the then ALP government, ATSIC lost its way. It forgot that its primary responsibility was to improve the quality of life of the Indigenous people of Australia. It is sadly all too evident that it failed in that task and diverted its efforts in various ways, which I propose to go into to some degree. The report of the review of ATSIC, In the hands of the regions—a new ATSIC, commented: ‘Perceptions of failure permeated every meeting with the review panel.’ The review found that there was a perception that ATSIC was failing in its advocacy and representative function. As put by the report:

In some regions of the country, the relationship between ATSIC and the people it is designed to serve is tenuous at best. A disconnect was seen between the board and the regional councils and between the regional councils and their communities, and even more of a gap was seen between the communities and the body of ATSIC. Even the Labor Party has acknowledged that the body it created, ATSIC, has been a failure. In an interview on PM on 30 March last year, the then opposition leader, Mark Latham, said:

ATSIC is no longer capable of addressing endemic problems in Indigenous communities, it has lost the confidence of much of its own constituency and the wider community. Unhappily, the current model has not delivered sufficient gains to Indigenous communities ...

The Bennelong Society notes that ATSIC essentially imposed a Western style construct on Indigenous people that was alien to their culture, asking them to engage in a political process that involved nominations, campaigning and elections. This is typified by the fact that 80 per cent of those people entitled to vote in ATSIC elections, which cost between $7 million and $9 million to run, chose not to vote. In its submission to the ATSIC review the South West Aboriginal Land and Sea Council of Western Australia stated:

The selection process itself is modeled on the Westminster system and does not take into account traditional methods of selecting leadership or spokespeople from within the community. In addition, the people elected through the ATSIC system are not necessarily the same people from within a community who have the traditional authority to represent the area. The result has been a lack of effective governance within ATSIC and what might best be described as nepotism. As the Bennelong Society stated in its submission to the ATSIC review committee:

The politicisation of Aboriginal service provision ... has created a Tammany Hall style of grace and favour politics. The politicians have constituencies that are so small, and so dominated by clan allegiances, that votes can be bought en bloc. Placing more services at the discretion of Aboriginal politicians is against the interests of needy Aborigines.

In practice, some ATSIC politicians have used their control of funding to benefit particular family groups, with the result that
funding and grants have not necessarily been directed to areas of greatest need or in the most effective and transparent manner. Mr Jack Waterford, Editor in Chief of the Canberra Times, wrote in the March 2003 edition of the Public Sector Informant: ‘One group’s grant is another group’s grant refused. ATSIC politicians fit into a new mould of being people who can deliver, who make deals, who horse-trade, who buy favours and remember grudges, who can reward friends and punish enemies.’ In 2003, the government moved control of funding away from ATSIC to a new body: the Aboriginal and Torres Strait Islander Services, ATSIS. Dr Lowitja O’Donoghue, a former chair of ATSIC, welcomed this as a positive development. According to a Parliamentary Library paper:

Lowitja O’Donoghue ... suggested the changes were the only way to end the ‘pork-barrelling’ and ‘nepotism’ which she suggested were currently rife within ATSIC ...

The previous Minister for Immigration and Multicultural and Indigenous Affairs, the Hon. Philip Ruddock, said that, prior to the creation of ATSIS, ‘There was a perception that ATSIC elected officials were making funding decisions that lacked transparency and may have involved patronage or personal gain.’ He went on to refer to the ATSIC review panel’s finding:

The governance of ATSIC, its Board and Regional Councils was raised particularly by Indigenous participants who exhibited a level of overwhelming concern.

ATSIC’s funding has not always been allocated in the most effective way to bring about lasting benefits to the Aboriginal people. Minister Ruddock has referred to policies and procedures in respect of ATSIC’s programs and grants that have not accorded with best practice, which he says has resulted in ‘significant losses of funds from failed businesses and Indigenous organisations’. An example of ATSIC placing less emphasis on its basic charter of providing services to the Indigenous people of Australia has been its focus on participating in international forums. Not only does ATSIC send representatives to participate in overseas conferences and United Nations forums; it also funds a permanent presence in Geneva. This must necessarily come at the expense of putting resources on the ground in order to fund practical measures to overcome Indigenous disadvantage. It is symptomatic of a loss of direction, and of a lack of focus on what should be ATSIC’s main priority. Participation in these international forums, which might be labelled talkfests, does not bring any practical benefit to those living in remote Indigenous communities or to those living in poverty in the cities.

One of ATSIC’s functions was to develop policy proposals to further develop and improve the quality of life of Indigenous Australians. The ATSIC review noted concerns about ATSIC’s lack of policy effectiveness. It said that there were widespread concerns about ‘ATSIC’s policy input, influence and capabilities’. It also said that ATSIC’s senior leadership admitted that the organisation had not always responded to requests for policy input in a timely manner and in some cases had failed to respond at all. The review panel found that stakeholders had little faith in ATSIC’s ability to influence the policy agenda and achieve positive outcomes for Indigenous Australians. Concerns were expressed to it about the quality of ATSIC’s policy advice. It said that stakeholders ‘believe that the organisation does not have the requisite skills and understanding of government to drive a policy agenda’. So ATSIC had a lot of problems and it was necessary to change the way in which services were delivered to Aboriginal communities.

In travelling around the north-west of Western Australia over the last five or six
years, I have had endless complaints about ATSIC from ordinary Indigenous people living in both towns and communities. Let us look at what the government is doing. The government has made sweeping changes. It is concerned that, while there has been some improvement in the quality of life of Indigenous Australians, overall the progress has been slow. The new approach is based on all of us accepting responsibility. We all need to do better—Commonwealth, state and territory governments and Indigenous people themselves.

This government is strongly committed to improving the lives of all Indigenous people and ensuring that they enjoy the same opportunities as all Australians. In 2004-05, $2.9 billion has been directed to Indigenous-specific programs. This represents an increase in funding in real terms of 39 per cent over and above the funding by Labor in its last year in office. It represents what is an undeniable commitment by the Howard government to improving the life of Indigenous people.

The government has appointed a National Indigenous Council, whose members have been selected on the basis of merit. Minister Vanstone announced the make-up of the National Indigenous Council on 6 November. It had its first meeting in December. The council consists of men and women who bring with them a range of expertise, including in business, native title, the resource sector, the military, academia, education, tourism, sport, health, local government, the law and criminal justice.

A criticism of ATSIC has been that there was insufficient participation by women in its organisational structure. Of the current 18 ATSIC commissioners just one is a woman. By way of contrast, five of the 14 members of the National Indigenous Council are women. Additionally, the chairperson is a woman, a distinguished Western Australian magistrate, Sue Gordon, who I happen to know personally, as she comes from Port Hedland.

The programs that were being delivered by ATSIC—or, in more recent times, ATSIS—are instead going to be delivered by mainstream agencies; that is, existing agencies of the federal government will, as a component of their service, provide programs for Aborigines. This will mean that there will be greater transparency of funding decisions and no scope at all for patronage, personal gain or nepotism.

The government is determined to work cooperatively and in partnership with local communities to identify their aspirations and priorities and to develop appropriate solutions. Funding decisions will be made on the basis of need. In particular, the government is determined to overcome the culture of passive welfare dependency that has proved so pernicious for many remote communities and for Aborigines living in towns and cities. The principle of mutual obligation has been extended so that the government will negotiate shared responsibility agreements with local families and communities. These agreements will be based on a long-term community vision, looking at 20 to 30 years into the future.

In conclusion, it has become increasingly obvious that ATSIC failed the Aboriginal people. This was clear from the findings of the ATSIC review, which revealed some serious deficiencies along with widespread disillusionment by Indigenous people over its performance. The general failure of ATSIC simply cannot be ignored. The government has decided, as I said, that we all have to do better and that ATSIC will not be part of the solution in the future. In a sense, ATSIC very much became part of the prob-
lems faced by Indigenous people in Australia.

The government’s reforms are well intentioned and have only the welfare of Aboriginal and Torres Strait Islander people at heart. It is hoped that the mainstreaming of services will result in enhanced service delivery and better value for money, which will in turn hasten the progress of overcoming Indigenous disadvantage while at the same time ensuring that we as Australians in general can feel that at long last something is being done in a very real and practical way to improve the lifestyle of the Indigenous people of Australia and the conditions under which they live.

Senator MOORE (Queensland) (1.17 p.m.)—Today we have been invited by the Minister for Immigration and Multicultural and Indigenous Affairs to share in the death throes of ATSIC. She has invited us to this place to share once again in the rhetoric and to look at the final abolition of a noble organisation—one that is not perfect; no-one pretends it is perfect. It is increasingly frustrating to hear the speeches that are being given in this place that seem to pretend that anyone is claiming that any organisational or administrative structure could possibly be a perfect solution. What we have is one more round of discussions in this place to demonise and to politicise what has gone before and to laud the future—to come out with great statements about why what is going to happen next is going to be the magical solution to impose upon the Indigenous people of this country.

I am not happy to be here and to be part of this process. I am actually frustrated by the process through which we have gone, because in reality what we are seeing now is the death throes of ATSIC. To all intents and purposes, the administration, the people, the buildings, the files and the corporate knowledge have all gone. They went last year, straight after the minister announced the decision to kill ATSIC. In an amazing show of speed—something that, as an ex public servant, I was quite amazed to see—within two months we had a decision announced and we had the administrative arrangements in place to move the budget and people to new programs. That came about on 1 July last year. Subsequently we have been exhorted by the government to hurry up and get through our process so we can pass this legislation so that the government can get on with their business, which is to impose a structure and a process on the Indigenous people of this country.

That is just not right. It does not reflect the past and the hopes of the past, but it does seem to reflect the resigned feelings we were dealing with on the Senate Select Committee on the Administration of Indigenous Affairs. The committee started with a clear expectation that we would be looking at ways that this legislation, the Aboriginal and Torres Strait Islander Commission Amendment Bill 2004 [2005], could be considered and that Indigenous affairs could be managed in the country. But, from the time it started, there was already resignation to the fact that the government wanted to move on. We had known that since 1996 and now we had the process: they were going to move on and they were going to move on now, despite the wishes of the people who were going to receive the services that we all agree all Australians—not just Indigenous people but all Australians—should have. The legislation, with its divisive nature, has been pushed through, the images have been built up, the media has had its role and all of us are indeed now part of the death throes of ATSIC.

I just want to put on the record my acknowledgment of the people who worked in this body—they seem to have been forgotten through this whole process—the people
whose careers were dedicated to the delivery of programs to the Aboriginal people of the country. Their wishes and their skills were dismissed and they were moved to other departments. The expectation was that they could be moved just like chairs and would maintain their enthusiasm and commitment. All too often, that is exactly what happens: the people who work in this field, who identify with this area, do have a commitment to the work they do. They have a commitment to service delivery. They have a commitment to the true sense of public service.

No-one who is working in the Public Service believes that any structure should be sacrosanct. We have all survived many restructures in the public sector. We take it as a part of our careers. But what has been particularly concerning in this process is that it is not just an administrative process. We are talking about an organisation that was set up as a representative body and that gave people in the Aboriginal community the chance to have a voice in the determination of their futures. In fact, in many ways it is the symbolism of ATSIC that we are mourning more than any administrative changes. We are mourning the death throes of a true symbol of self-determination in our country, one that was brought in with much fanfare, with speeches in this place in the late eighties and early nineties which were celebrating the hope that there was going to be a new way forward for Indigenous affairs in our country. As a public servant at the time, I was caught up in the enthusiasm, the hope and the expectation that there were going to be real changes.

The first round of ATSIC elections was widely publicised. In fact, the way the process was going to work was internationally publicised. To see that hope dashed is for me one of the more disappointing things that has happened over the last 20 years in Australian politics. The process of destroying ATSIC has in many ways told the Aboriginal people of our country that they are able to move forward now, we can wipe out the past, the years of self-determination can now be moved aside and we will move into the next round of government decisions on how Aboriginal affairs should be handled. This happened throughout the whole of the last century, but particularly from the 1970s.

I really hope that people who are interested in this whole process will read the Senate select committee report, because we attempted through that committee to listen to people who had knowledge and interest in the field and who came to talk to the senators about what they hoped for their future and in many ways about what they mourned—the things that had not worked in the past. Once again I want to defy the government speakers who continually claim that we on this side of the chamber want some kind of protection of ATSIC. That is not what we are asking for. We are asking for some acknowledgement of the things in ATSIC that worked, not just a demonising of the things that failed.

It is my argument that, if you take too close a look at any administration in any area, you will be able to find fault and you will be able to mark that as the reason why something has not worked and why it is absolutely essential that it has to change. In fact, last year I believe some people did that kind of investigation into the operations of this place, the Senate. There is a certain argument that perhaps we belong to the past, perhaps we should do better and perhaps we have not been operating as well as we ought. If we allow without argument a simplistic proposition that everything ATSIC did was wrong and failed and that anything the new process will do will automatically work, then we as senators have failed. There would be no question about that. We would be taking the easy way out, once again all too simplistically imposing on the people who should be
represented here but who are not when we talk about the future of Aboriginal affairs. People are once again talking for them.

We hear a lot about the consultation processes. Mick Dodson, in one of the hearings of our Senate committee, said:

In my experience, what the government means by consultation is, ‘We, the government, have an agenda. Let’s go out and run that agenda past the Indigenous community organisation.’ ... In that model there is no place for Indigenous decision making. It—

that is, the government consultation—

is a process by which the government or bureaucratic agenda gets some sort of legitimisation.

Given that environment, how can the new wave of Indigenous affairs have hope of success? The key element in any change is participation and the acceptance of those people who are going to be most affected by it. We have the abolition of an administrative structure, but more than that we have an attack on the spirit that formed that administrative structure. We have the simplistic—and I keep saying that word because it is the core of the argument that is being used about this whole activity—allegation that ATSIC has failed and therefore the people of ATSIC have failed. If that is the full argument, there can be no future. If we can just say, ‘There was an elected process and it didn’t work, therefore there won’t be any further elected processes,’ there will be no hope for the future. Those concerns that were raised about the place of Indigenous voices will be justified. Where we are moving forward must include the voices of Aboriginal Australia. They cannot be silent and they cannot be invisible in this process.

The key to the future is acceptance of what happened in the past, learning from that and moving forward. It is not another layer of legislation, another layer of rhetoric or another layer of rules. What we must have is an acceptance that people will be able to operate in various flexible ways. That is what Dr Shergold has been saying through the whole process: we need to be more flexible and more inclusive. We accept that. I am questioning how we can encourage people to be part of this new inclusion if we have automatically said that what has gone before has failed and that they are part of the failure.

In the determination of the select committee we were able to see evidence by a range of authoritative bodies about where there has been genuine disadvantage in Aboriginal and Islander communities across our country. No-one challenges that, no-one disagrees. Everyone accepts that we must do better. But that cannot be a process of doing to others; it must be a joint participative process. The key message that came out of the Senate select committee was not ‘protect ATSIC’, it was ‘protect the future’ and ‘involve us in the future’. But, unfortunately, the cynicism out there is overwhelming.

Just after the government made their announcement and just after all the people and the equipment and so on of ATSIC were moved on to other departments, I was fortunate enough to attend a community gathering in Brisbane which highlighted the concerns of the community about their future. I was overwhelmed by the genuine emotion at that place. For the first time I was involved in a smoking ceremony where the elder women of the community included me in their hopes for the future. They gave me to understand what they hoped would come out of whatever deliberations the Senate was going to undertake in the future. They hoped that we would:

1. oppose any legislation for the abolition of ATSIC unless and until an alternative elected representative structure, developed and approved by Aboriginal and Torres Strait Islander Peoples
is put in place and which would, at the same time assume the functions of ATSIC.

2. oppose any move to appoint an Advisory Committee as contrary to the rights of Aboriginal and Torres Strait Islander People to elect their own representatives.

3. oppose any move to Diminish, Dismantle and Destroy or/and Erode the principles of self determination and self management since any such action would turn back the clock on hard won rights of Aboriginal and Torres Strait Islander people.

4. strongly defend these rights of self determination and self management of Aboriginal and Torres Strait Islander People previously supported by the Australian Parliament.

5. oppose any move to mainstream services for Aboriginal and Torres Strait Islander People as this would severely disadvantage Aboriginal and Torres Strait Islander People.

These were the people of metropolitan Brisbane; they were not from remote areas. Their claims were reflected across much of evidence that we had at the Senate select committee. I am fascinated by hearing people quote what happened at the Senate select committee because it seems sometimes that we must have been in different places. The bulk of the evidence can be seen in the transcript. We did not have people come in and say, ‘Let the government do whatever they want.’ We did not have people say, ‘Take away ATSIC. It’s failing. It’s no good to us.’ We had people say there were faults with ATSIC—absolutely; there is no doubt about that—but the key point in this claim from the Aboriginal people of Brisbane was that they wanted something to replace their representative voice. They did not want appointed people. Senator Eggleston, I am interested in the term ‘appointed by merit’. As a public servant, I am quite clear about what I thought merit meant and I would like to see the selection criteria and the job description for people on the advisory group, because that in itself creates some concern. Questions raised in evidence to our committee were: how were the advisory group created and on what are they going to advise? How are they going to involve the other people across the community in this process?

There was a degree of anger expressed by the Aboriginal people with whom I met, and I know that other senators from all parties have expressed the same thing. We need to ensure that the anger and disappointment do not blind people to the future, because we will not be able to succeed as a government if we do not have the engagement of Aboriginal and Islander people in this country. That is not just some kind of rhetoric to engage people in the political process; it is some sense of trust that there are programs to help them. We all acknowledge there is a need across the whole range of government service delivery to consider ways to bring the expectations of Aboriginal and Islander people up to those which we all have in education, health, housing, political involvement and daily life. We must have a process which gives people hope that their voices will be heard and respected and not just dismissed.

The key issue of mainstreaming which came out of the government’s plan for the administration has caused major worry with the people who have already experienced mainstreaming in many of the key service delivery areas over the last 50 years and longer. It is not that people reject mainstreaming; they are fearful that mainstreaming will not provide the services that they need. Throughout this process we saw very little rejection by Aboriginal people of the proposed changes. We saw concern and we saw some anger about the fact that all things past seem now to be failed, but we did not see people saying, ‘We will not be part of the process.’ We saw people saying, ‘We want to be part of the process and we want to have a voice that is truly representative.’ There was
no false hope or particular aggrandisement of the past.

Concern was expressed about the lack of information about the future arrangements, and that was shared by many of the people on the Senate committee. It is one thing to have the past abolished; it is another thing to know what we are leaping into in the future. We have heard previous speakers talk at length about the lack of knowledge and accountability of things like SRAs and regional agreements. They sound good, but some of the things that were in ATSIC sounded good as well. At this stage, it is not enough to have strong, effective rhetoric. We must have much more detail about what the hopes of the future are.

I was particularly interested in the concept put forward by Dr Shergold about the ‘new’ mainstreaming, which must be significantly different to the ‘old’ mainstreaming. The degree of difference is not yet clear to me—and I do not think it is clear to many people in the community. There is hope that whatever is coming next is going to be new because we are damned sure that what came in the past did not work. The new mainstreaming in the best possible world would be a shared hope. But in the current environment, without the detail and without that core element that no-one can measure and no-one can impose, which is genuine trust, I am worried that where we are going will have no real hope for the future and no real engagement of the people who are definitely the most important in this argument—that is, the Aboriginal people, who have the right to expect more.

Commissioner Allison Anderson, when she came before our committee—and she has written about it since—talked about her concerns as an ATSIC commissioner. She was told, as were all other elected Aboriginal people at both the regional and commissioner levels, that their jobs were going to be terminated halfway through their current terms. She was concerned that their voices would not be heard and her worry was that in a number of years in the future we would all be back here again talking about the new program that would be imposed on people because the latest plans have not worked. I think that we have a responsibility to do better than that.

My friend Jackie Huggins, who was part of the ATSIC review—and we have heard much about that in this place before—said in a letter to us on the Senate select committee:

I ask you to consider and to promote the following point to your parties and to the bureaucracy who will implement the post-ATSIC changes in the administration of Indigenous Affairs: Indigenous Australians are engaged now in an historic process of determining the structures they want and need to represent them to make their communities healthy.

Do not expect it to fit within a western model of process or timing. If it is to work, if it is to provide some guidance on the leadership our people so desperately need, the process must be conducted on our terms.

We as a Senate should encourage that cooperation so that together we can make a new process which will adequately, effectively and positively fulfil the expectations of Aboriginal people in our country. (Time expired)

Senator CHERRY (Queensland) (1.38 p.m.)—I rise in great sadness to speak on the Aboriginal and Torres Strait Islander Commission Amendment Bill 2004 [2005] today. I have been through the stage of being angry at what is happening with ATSIC and where it is going to go. At this stage I have reached simply a position of sadness. We have heard in this debate some very high rhetoric and high-minded opinions from both sides about what needs to happen with Aboriginal affairs, where we need to go in terms of providing genuine self-determination, and the
possibility—as the letter just read out from Jackie Huggins suggests—of a new organic form of representation coming up from the bottom. But at the end of the day it comes back to this parliament, or the two major parties, having the political will to actually allow Aboriginal people to represent themselves effectively and successfully and, importantly, to listen to them on issues that concern them. Instead of talking down to Aboriginal people and Indigenous communities, we need to start listening and accepting in our hearts the principle of self-determination.

I do not believe that will happen. I do not believe that, with the demise of ATSIC, it will be replaced by something better. I believe we will go backwards on issues of providing that self-determination. And that saddens me because I genuinely believe that, if we are going to raise our Indigenous brothers and sisters out of the vice of abject poverty, of discrimination and of being at the bottom of every single indicator of social and physical wellbeing, we need to provide self-determination. Ultimately, white society cannot impose a solution on black society. Ultimately, it will need to come from Indigenous communities and Indigenous people themselves as to how self-determination is going to work and how we are going to ensure that their community reaches a position of improvement vis-a-vis the white community.

ATSIC in many ways—and this has been spoken about by many people—was a structure that was flawed from the start. We were imposing an elected model on Indigenous representation that in some ways cut across traditional forms of leadership in Indigenous communities. But, as Winston Churchill once said, ‘Democracy is the least worst form of government yet invented.’ That fundamentally represents what we were talking about. In the absence of the very formal structures of representation and leadership—the structures we destroyed by our patterns of white settlement in this country—an elected model was probably the best model that could operate to provide genuine representation that had credibility among Aboriginal people. True, there have been flaws, particularly in my home state of Queensland, in the way that representation has ultimately played out. But, at the end of the day, almost every ATSIC person I have met at regional and national levels was someone who was generally committed to the improvement of their people. I want to join with Senator Moore in thanking those people who have made an enormous commitment to, done an enormous amount of work for and obtained enormous achievement in ATSIC over the last 14 years. I think we need to thank those people and acknowledge their commitment and their hard work in a very difficult environment where this government and the previous government made their work harder and harder for them.

It was another ATSIC chair—I forget which one—who said that ATSIC gets 100 per cent of the blame but is responsible for only 15 per cent of the programs. I think that is a fundamental problem which remains in this country. ATSIC has become the whipping boy: blamed for problems with health and education, which are primarily state government responsibilities, and blamed for problems with employment outcomes, which are predominantly a federal government responsibility. It is blamed for everything. It is blamed for domestic violence, which is a matter that comes right down into the home as opposed to boardrooms in Canberra. It is blamed for everything, yet responsible for not very much.

What that highlights to me is that lack of genuine self-determination and that lack of actually saying to Aboriginal people, ‘You are responsible.’ The structure which we ul-
timately finished with for ATSIC, where it was responsible for only 15 per cent of the programs going out to Indigenous people but was blamed for 100 per cent of the problems, is a structure which we have allowed to develop and which has not ultimately been in the best interests of Aboriginal people. We really need to ensure that, if we believe in self-determination, we should practise it. We need to say, ‘You are going to be accountable for outcomes in your areas, communities and organisations right through to national representation. You need to be held accountable for achievement.’ That has not occurred and it will not occur under the proposals the government is putting in place.

I read with some interest in the select committee’s report the comment from the government senators—I notice that Senator Heffernan follows me in this debate—that the government’s reforms include ‘provision for regional partnership agreements which would allow formal recognition of such arrangements’; that is, arrangements which may be established at a local level to provide representation. But will they? Will the national government listen to organically developed local representation of Indigenous people? I really do not believe they will. When you look at structures already emerging in my home state of Queensland as to who is providing the representation, shall we say, for Indigenous communities, you can see that pattern emerging.

In Queensland I think there are 16 Indigenous community councils, which are elected by their local people and provide representation on a wide range of issues. They have now formed into their own Indigenous local government association following the abolition of the Aboriginal Coordinating Council by the Beattie government—again, another attempt at destroying strong voices for Indigenous people. They provide representation for people right across Cape York—right into Woorabinda, Yarrabah and Cherbourg—and into the Gulf of Carpentaria, yet who is the government listening to when developing its plans or proposals for Cape York? Is it the Indigenous local government association? Is it the community councils? No, it is a self-appointed leader, Noel Pearson. The government picks the people that it is going to listen to. When there is legitimate, valid representation, will it actually provide recognition of that voice? No, I do not believe it will, because it does not suit its agenda to do so.

When you move into other areas, you will find that there are many Indigenous organisations across this country providing good work and good representation for their communities. In the absence of ATSIC, will they be heard? Will the government listen to these people or will they prefer instead their self-appointed experts, whether they are the people who happen to run a political agenda whom the government happens to find useful or the people the government has decided to nominate as its preferred voices? From ATSIC, I believe what we are entering into with this new structure, or lack of structure, is going to be a very backward step. It is going to be a step that will see those Indigenous voices lost from debates about Indigenous policy. We will move back to white ministers and white bureaucrats telling Aboriginal people what is good for them and where they should be going. We see that already emerging in the welfare reform debate in which ministers are saying what they believe Indigenous communities should be doing and how they should be responding. We see it in health debates. We see it in other areas. I do not believe that is going to result in better outcomes. We know from previous experience that will not result in better outcomes.

The experience of Indigenous communities around the world is that ultimately only self-determination, self-acceptance and self-
management can deliver those outcomes. When communities and individuals take responsibility for themselves, when governments support them in doing that and when governments provide the resources for that to happen will be when you start to see movement in a forward direction. Interestingly, in abolishing ATSIC the Australian government also abolishes any sort of government commitment to self-determination. We now have Indigenous coordination centres run by government bureaucrats responsible for money. We now have mainstream departments responsible for Indigenous programs. We now have ministers appointing their own people who tell them what their views should be on Indigenous policy. None of this is self-determination. None of this fulfils the international requirements of self-determination of Indigenous people.

The International Covenant on Civil and Political Rights in article 1 says that Indigenous people are entitled to self-determination as a fundamental principle in all of their dealings with government. Australia is going backwards in that regard. I will read briefly from the report to the United Nations High Commissioner on Human Rights and the Committee on the Elimination of Racial Discrimination by Les Malezer of the Foundation for Aboriginal and Islander Research Action in Queensland. It was noteworthy that that particular committee found in 2000 that Australia was in breach of the International Convention on the Elimination of All Forms of Racial Discrimination over the Native Title Act and changes to the Human Rights and Equal Opportunity Commission. CERD is currently reconsidering Australia’s status in regard to compliance with international conventions, and it is reconsidering that having finally received—four years late—the response of the Australian government to its findings in 2000. What will it say about what the Senate is doing today? What will the Committee on the Elimination of Racial Discrimination say—the committee which has international responsibility for the promotion of self-determination—about the abolition of ATSIC and the fact that we are replacing it with white bureaucrats who will determine Indigenous policy? Will they see that as a positive advance? Will they see that as a move towards self-determination? I believe they will see that as another backward step: Australia thumbing its nose at the world in terms of our position on human rights.

The submission from FAIRA to the committee said: ‘Given Australia’s failure to comply with the convention and the committee’s decision to examine the situation under the early warning measure and urgent action procedure, Australia’s tardiness should be regarded as a serious matter not least out of concern for the interests of victims of racial discrimination. The seriousness of this situation is further exacerbated by the absolute lack of participation by Indigenous peoples and civil society groups in the preparation of the current report.’ It goes on to say that Australia remains in serious breach of international conventions dealing with Indigenous people. The world is watching and the world will not like what we are doing here today.

Also today I should acknowledge the marvellous report produced by the ATSIC review that was conducted by Jackie Huggins, Bob Collins and John Hannaford. I thought it was a very interesting report, because it actually tried to take up what was best about ATSIC, get rid of what was the worst about ATSIC and move forward. It recognised that, whilst there will be a variety in terms of what is moving through, the regional representation of ATSIC—the regional councils—is probably where the best work is occurring, where the representation is closest to the people and where the advocacy is at its most effective. But they are being abolished in this bill. The government is
actually rejecting the recommendations of its own ATSIC review. It is rejecting the recommendations and the outcome of that long, multimillion dollar process of consultation. It is rejecting the view that there should be formal representation at a regional level and that we should listen to that representation. It is true that the ATSIC commissioners probably have squandered an opportunity to provide effective national representation. Certainly the current commission is one which is impossible to defend. But to abolish the regional councils and the work being done at that level is a case of overkill and it sets back self-determination to a great degree. I think that this very disappointing.

I noticed the argument is constantly raised in the report and even in the media that ATSIC was never an effective representative body because only 20 per cent of Aboriginal people voted. If that is the criterion, let us abolish Western Australian local government because only 20 per cent of people vote in their voluntary elections. Let us abolish all the rural commodity representative organisations where less than the majority of people vote, even though compulsory taxes are collected from groups like the Meat and Livestock Australia and Australian Wool Innovation. Let us abolish any other organisation. Let us remove the legal privileges from shareholders because a majority of them do not vote in elections.

To dismiss it as irrelevant when 20 per cent of people have voted but when there are clear relationships between ATSIC, its councils and its communities is most unfortunate. People have the right to vote, people have voted, and people have put their faith in these organisations. The fact that so many people have voted should be celebrated. To say that it reduces the legitimacy of ATSIC is something which I find difficult to accept when what is replacing it is non-existent.

I do hope that, out of this process, the government will surprise me and come up with a structure of representation that does actually work; and I hope that, when the proposal by the Indigenous organisation on the north side of Brisbane to establish a community council gets a bit more beef on it, the government funds it. I hope the government actually recognises it, funds it and provides it with a strong voice. When they have got something to say on behalf of their community, I hope the government will actually listen. But that will not happen. It is not part of this government’s agenda to do that. It is not part of this government’s agenda to provide a strong voice for Indigenous people—unless they happen to agree with what that voice is saying. It is not part of this government’s agenda to provide funding to contrary voices which might be disagreeing with what the government is saying, or to voices which are making life difficult for ministers in terms of what they are doing. If it were the government’s role, ATSIC would still be there and the regional councils would have been maintained. The ATSIC review recommendation to set up a national council to replace the ATSIC commissioners would have been adopted and funded to provide that advocacy work.

That is not what the government’s agenda in this debate is about. The agenda is about getting Aboriginal voices out of the debate on Aboriginal policy and ensuring that, if they are to have a debate, they are in the role of supplicants applying for funding and grants from programs that ministers have already determined. It is about applying for the crumbs off a table which has been set by federal cabinet and in which Aboriginal people have no say or standing in terms of determining what is on that table.

That is the sadness of this debate and this bill, and it is with sadness that I speak. It is with sadness that I know that it is not going
to solve the deep problems we have in Indigenous policy, it is not going to solve the issues that we have in respect of ATSIC, and it is not going to help promote self-determination. I will be voting against this bill—not because I think ATSIC is perfect but because I think that what is replacing ATSIC is going to be a great deal worse than what we have already got.

Senator HEFFERNAN (New South Wales) (1.55 p.m.)—It is depressing. What has happened to Indigenous people since the 1770s is very depressing. Part of it has been brought about simply by the adventures of white men and the way those adventures have interfered with the natural way for Indigenous people. What this legislation today is about is just another sad episode in hundreds of years of sadness and not much outcome for a lot of Indigenous people. It is not necessarily the case that the further you get from the bus stop in a city the greater the disadvantage and unfairness. There is a lot of unfairness in the cities but there is heaps of unfairness in remote communities.

This debate is really about the shutting down of ATSIC; it is not really about the future. I commend everyone on the Senate Select Committee on the Administration of Indigenous Affairs, who put their hearts and their minds in a generous way to the issues that we face. I think there is a lot of goodwill on the committee to what is going to happen in the future. I am interested in what is going to happen in the future. The outcome of this bill is inevitable.

Professor Larissa Behrendt from the University of Sydney said something that made sense to me when I asked her, ‘If we had compulsory elections and we did all those things, what would be the difference in the outcome?’ She is an Indigenous academic—a smart young lady. She did not think there would be much difference, because, as in all elections, the winners are usually the key political thinkers—the people with the time and the motivation to get the numbers together. She observed in her answer that, on the data we looked at, one of the things that seemed to get lost was that a lot of women who had quite high primary votes were not getting through the regional council process; so we thought there might be one way of reforming that system. I agree with her, because a new election would probably produce the same outcome: politicians, politics and political operations which would overpower policy thinkers, intellectual firepower and outcomes on the ground for thousands of Aboriginal people in remote communities that have got nothing to show for all the hundreds of years of failed effort. As a matter of fact, there is a mob down at the tent embassy now—the Kalgoorlie mob—that I have been talking to this morning. They say that they warned ATSIC some time ago that by removing the money for the small programs in remote communities they would get the problem that we have now. We have a lot of Indigenous people who are fringe dwellers in cities and who live in ghastly circumstances.

You could go on for hours about this, but I do not think there is much to be said about the bill itself, because the bill is inevitable. But I would encourage everyone to participate in the thinking process for the future for Indigenous people. I would like to think that people like Boni Robertson, Melva Kennedy, Pam Greer and Les Bursill could be part of the thinking for the future. I do not think I need to say much more than this: if we really want to look at what has gone wrong in the past, it should be compulsory for every person interested in this debate to read the report Child sexual abuse in rural and regional and remote Australian Indigenous communities: a preliminary investigation to see the
failings for the children and women that have been provided by the present system.

I do not think this is a very complicated piece of legislation. I think it is inevitable that ATSIC will be shut down, and I would encourage everyone to look to the future. There is a lot of goodwill in the community now; there is a lot more knowledge than there used to be about the plight of Indigenous people, and I think it would be fair to say that the goodwill should carry forward in the debate to make sure that we do not continue to make the mistakes of the past in our deliberations on what the future should be and what system will provide fairness for Indigenous people—where you can walk to the corner and a bus turns up, or you can turn on a tap and the water comes on. Those sorts of privileges should be afforded to people who live in remote communities where currently none of that happens. Thank you very much. I think it is time that I sat down and shut up.

Debate interrupted.

MINISTERIAL ARRANGEMENTS

Senator Hill (South Australia—Leader of the Government in the Senate) (2.00 p.m.)—I inform the Senate that Senator the Hon. Ian Campbell, the Minister for the Environment and Heritage, will be absent from question time from today until Thursday inclusive. Senator Campbell is in the United Kingdom representing the Australian government at the Energy and Environment Ministerial Round Table in London. I apologise that very late notice of this visit was given to leaders and whips. During Senator Campbell’s absence, Senator Ellison has agreed to take questions on behalf of the portfolio of Environment and Heritage for today. Senator Ian Macdonald will take questions on behalf of the portfolio from tomorrow.

QUESTIONS WITHOUT NOTICE

Health Insurance: Premiums

Senator McLucas (2.01 p.m.)—My question is to Senator Patterson, the Minister representing the Minister for Health and Ageing. In light of three consecutive annual premium rises of up to eight per cent, can the minister explain to the Senate why the private health insurance system in this country should be seen as sustainable?

Senator Patterson—It is an interesting question that Senator McLucas puts to me. It pays to have been around here for a while. I remember, when Labor was in government, that private health insurance providers could put up their fees at any time—and did, sometimes three and four times a year. From memory, I would say it was by over 10 per cent on average in most years. On average, I think it was 11 per cent. In one year alone, private health insurance went up 17 per cent. I remember former Senator Richardson sitting right here—maybe in this seat—and saying that the level that private health insurance membership was at or about to get to under Labor was unsustainable. Senator McLucas was not here then, so she may not remember that. But those of us who took out private health insurance and have had it for a long time remember very clearly private health insurance going up under Labor at a rate of between 10 and 11 per cent a year and, in one year alone, by 17 per cent.

Private health insurance premiums will rise by an average of 7.96 per cent this year. Most funds will increase premiums from 1 April. If you take an average across the last six years we have been in government, it is nowhere near the increases under Labor. I am not going to join in a discussion about individual funds, but the health insurance premiums have not been rubber-stamped. The government, through the Private Health Insurance Administration Council and the
Department of Health and Ageing, scrutinises all the applications for increases carefully. The Australian Government Actuary has also been asked to give a second opinion on some funds, and further advice has been sought in one case from the actuary before the proposed premium increase was allowed.

Nobody wants increases in prices in private health insurance, but they are necessary in order to ensure that the funds stay viable. All of us know that there is more and more occurring in terms of provision of services and the type of surgery that can be done, and we have had a debate here about prostheses used. These all put pressure on private health insurance. The minister was satisfied that rate increases sought by the health funds should not be disallowed because, in all cases, they were no more than required to meet the expected payments to members and to maintain capital adequacy.

It is important to remember that the average increases are across all products. Some premiums will increase by less than the average; others will increase by more. In the coming weeks, funds will advise their members how premiums will be affected. As I said before, the cost of health care is rising, largely due to increasing technology and rising wages, which I did not mention before, including rising wages of other health professionals. It is unrealistic to think that private health insurance can be isolated from price increases, particularly where the nation expects better and better benefits from the latest technologies.

Private health insurance still provides peace of mind for nine million Australians who are covered. In 2003-04, one fund paid almost $300,000 for a single member claim. Few families could afford this expense without the benefit of private health cover. We are committed—I do not know what Labor’s position is; it has had various positions on this—to the 30 per cent rebate on private health insurance and the higher rebates for older Australians, which ensure that private health insurance remains affordable and sustainable.

Senator McLUCAS—Mr President, I ask a supplementary question. In relation to the sustainability of the private health insurance system—and I remind the minister of the intent of the first question—does the minister recall the following statement from the Liberal Party’s 2001 election policy:
The discouraging of ‘hit and run’ membership of health funds will lead to reduced premiums over time and to the stabilisation of the private health insurance industry...

How does the minister explain the recent declines in membership for those aged under 45 and in particular those aged between 30 and 44 and children aged between five and 14? Doesn’t this suggest that families are struggling to maintain their private health insurance in the light of ever-increasing premiums, and won’t these continuing trends cast increasing doubt on the long-term sustainability of the system?

Senator PATTERSON—I would rather stand our record on private health insurance up against Labor’s record any day—a record of an over 10 per cent increase per annum, while in one year alone it was 17 per cent; a record where we saw numbers at a point where even the then minister said it was unsustainable. We have seen more people and more families in work and able to pay their private health insurance, a 30 per cent rebate that Labor has never said it would support and increased assistance to older people. They are the measures we are using. Just recently we put through a bill to ensure that we could contain the costs of some of the prostheses covered by private health insurance. It contained measures to make this sustainable. It is unrealistic to expect that pri-
Private health insurance prices will not increase, but they increased more under Labor every year, on average, than they have ever increased under us.

**Private Jamie Clark**

**Senator SANDY MACDONALD** (2.07 p.m.)—My question is to the Minister for Defence, Senator Hill. Minister, will you please inform the Senate about the circumstances of last week’s tragic death of Private Jamie Clark, who was serving on operations in the Solomon Islands? Will you also provide the Senate with details of the current status of the Regional Assistance Mission to the Solomon Islands?

**Senator HILL**—I regret to inform the Senate of the death late last week of Private Jamie Clark while serving with the Australian Defence Force on operations as part of RAMSI, the Regional Assistance Mission to the Solomon Islands. On behalf of the government, and I think I can say all senators, I take the opportunity to pass on our condolences to his family and friends for their loss, particularly his mother, father and two brothers. We join them in mourning the tragic death of a highly-regarded young Australian who served his country with great distinction.

Private Clark served in the 3rd Battalion of the Royal Australian Regiment and had done so since 2001. Apart from his operational service in the Solomon Islands he previously served in East Timor as part of Operation Citadel. Private Clark died in the Mount Austin area east of Honiara. An investigation has been carried out by police involved in RAMSI with assistance from the ADF. Without pre-empting the results of that investigation, it appears that he died after falling into a deep shaft while investigating a sinkhole. At the time, Private Clark was engaged in a routine patrol providing security for RAMSI’s participating police forces and searching for weapons caches.

This tragedy follows the murder of RAMSI police officer Adam Dunning last December. Private Clark was a member of the Ready Company Group, which had been deployed to the Solomons in response to Officer Dunning’s death. Private Clark had been serving in the Solomon Islands since January this year. These events serve to remind us of the risks inherent in both military and police service. We should never underestimate the dangers that service personnel face on deployment. Unfamiliar, challenging and often dangerous environments can pose as great a threat to the safety of our personnel as the threat of enemy action.

The Senate will also be aware of the success that RAMSI has had in restoring security and stability in the Solomons. Since the commencement of operations in July 2003, RAMSI has facilitated the arrest of over 900 people and removed more than 4,000 weapons and approximately 300,000 ammunition rounds from circulation. This accomplishment has only been made possible because of the hard and often dangerous work by police and military personnel conducting patrols on the ground. RAMSI is now working with the Solomon Islands government to improve governance and accountability, and to reinvigorate the economy. Private Clark’s death is deeply regretted by the government, by the Army and by all those associated with the mission to the Solomon Islands. I hope that his family and comrades will be able to draw some consolation from the importance and success of the work to which he contributed. He was part of a very important operation. His sacrifice will be honoured each time the RAMSI mission is remembered.

**Health Insurance: Premiums**

**Senator STEPHENS** (2.10 p.m.)—My question is to Senator Patterson, the Minister...
representing the Minister for Health and Ageing. Does the minister recall the Liberal Party’s 2001 election platform, which stated: Lifetime health cover ... is ... aimed at making the private health insurance system fairer for everyone, and ... rewarding Australians for long-term membership.

How does the minister explain the case of a couple in the electorate of Newcastle who, after 47 years of private health insurance cover and minimal hospitalisation, now face a premium hike of over 17 per cent—an annual slug to their family budget of over $370? With family budgets hit like this for the last three years, does the minister still believe the system is sustainable?

Senator PATTERSON—As I have said, I am not going to comment on individual funds. Some funds have had very low premiums and some funds have had higher increases in some years than in others. But the average has been significantly less than occurred in any one year under Labor. The average increase in private health insurance premiums under Labor was over 10 per cent. In one year alone, the average was 17 per cent, which is totally unsustainable. There was no attempt at all by Labor to assist people with, for example, a 30 per cent rebate. If those people have been members for 47 years—I do not know when they joined—I presume that they would now be eligible for the increased rebate of either 35 per cent or 40 per cent, depending on their age. The other issue is that, given Labor’s policy, they would have had a 30 per cent hike in their premium if the Labor Party had taken away the 30 per cent rebate.

One of the initiatives that we brought into play was the ability for people to test health funds against each other in terms of what they provide. That website, which is either up or due to be up—I will stand corrected—will enable people to test the various products. Before, there was no way of doing that unless some newspaper listed all the health funds. We wanted to make sure that that was more clearly available to people who are members of health funds.

We have done a number of things to reduce the upward pressure on private health insurance. We saw one bill go through recently. We have also taken pressure off public hospitals. If Senator Stephens is interested, she ought to have a look at what is happening in hospitals in New South Wales in terms of the number of people—as we have heard today, it is an appalling record—going back into hospital because of mistakes. It is three times more than occurs in any other state. I would suggest that the focus might be on how the states run the public health system rather than on private health insurance. We have maintained downward pressure on an area where there are increasing pressures due to increases in technology, increases in wages and increases in all other aspects with regard to the cost of private health insurance. We have actually maintained a 30 per cent decrease in its cost by giving people a private health insurance rebate.

Senator STEPHENS—Mr President, I ask a supplementary question. The question was about long-term membership. That couple have had 47 years of private health insurance coverage. Is the minister aware of an article in the Bendigo Advertiser on 10 March which reported the case of a retired Heathcote couple receiving advice from their fund that their premium will increase by over $64 per quarter—a rise of 19½ per cent? Given that the average premium increase rubber-stamped by the Minister for Health and Ageing was 7.9 per cent—that was the average across all funds—can the minister advise what percentage of health fund members face premium increases above this approved amount? Is the government satisfied
with a health insurance system which continues to slug consumers with cost increases like this year after year?

Senator PATTERSON—We have enabled people to move from one health fund to another without penalty. Senator Stephens was not here when, under Labor, if you moved from one health fund to another, you had to wait for 12 months before you were entitled to benefits. That means that people can look around and see which health fund suits them. I would suggest to people if they are not happy with their health fund to go and have a look at the other health funds which may offer a better deal for the sort of situation they are in. I remind people again that, under Labor, private health insurance went up by over 11 percent on average every year and, in one case, by an average of 17 per cent. It was unsustainable and they did not have any assistance. They did not have a 30 per cent rebate, nor did older people have the offer of increased assistance to pay their private health insurance.

Small Business

Senator TCHEN (2.16 p.m.)—My question is to the Special Minister of State, Senator Abetz, in his capacity as the Minister representing the Minister for Small Business and Tourism. Would the minister inform the Senate how the Howard government is assisting small businesses? Is the minister aware of any alternative policies?

Senator ABETZ—I thank Senator Tchen for his question and his ongoing interest in small business. The Howard Liberal government are unashamedly proud of their pro small business stance. We recognise that small business is the engine room for economic growth. That is why, since being elected to government, we have introduced a range of policies which have assisted this country’s small business people which, in turn, has delivered such strong employment growth. Chief among our policies has been our determination to produce strong economic growth, which has allowed small businesses to grow. At the same time, our sound economic policies have seen business interest rates tumble from 20-plus per cent under Labor to single digits today. As a result, small businesses, relieved of the crippling interest rate burden, have had the confidence to expand—an expansion which has created jobs for our fellow Australians.

Let us not forget another important measure that the Howard government have undertaken to help small businesses. That is the reduction of red tape. Since the last election, we have passed legislation to implement several key initiatives to reduce the compliance burden on Australian small businesses—

Senator Brown—The GST.

Senator ABETZ—including annual GST reporting and payment for very small businesses—and Senator Brown is on the money for once; it is a rare occasion, so it should be recorded—simplified quarterly PAYG instalments, annual private use of apportionment for GST and the removal of the requirement for superannuation reporting.

Unfortunately, other commitments that we took to the last election which would assist small business have yet to pass the Senate. Unlike those on the other side, we do recognise the importance of small business but those opposite actively seek to frustrate our policy implementation. Indeed, it should not come as a surprise to the Australian people that the Labor Party are deliberately frustrating our policies in this important small business sector. They went to the last election with one of their key policies for small business being a new payroll tax. Indeed, Mr Beazley, in his first stint as leader, proudly told 6PR that the Australian Labor Party never pretended to be the party for small
business. Of course, that prophecy remains true under his recycled leadership today.

What are the policies that the Labor Party are still frustrating? The most important one is the unfair dismissal laws which, if they were to be reformed, could create up to 75,000 new jobs in this country overnight.

Senator Chris Evans—Why don’t you say one million?

Senator ABETZ—Senator Evans asks why we do not say one million. It is simply because, unlike Labor, we do not exaggerate and we do use university studies to support our assertions. That is why I said up to 75,000 fellow Australians could be taken off the unemployment—

Senator Robert Ray—Could, might or possibly!

Senator ABETZ—If Senator Ray wants to make a contribution to positive policies, I invite him to do so. I think the bitterness of nine years in opposition is finally catching up with him.

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

Senator ABETZ—There are other aspects of our policies as well, like not allowing trade union officials to barge into small businesses, including home based small businesses. (Time expired)

Senator TCHEN—Mr President, I ask a supplementary question. I draw the minister’s attention to the fact that I also asked him whether he was aware of any alternative policies.

Senator ABETZ—I am aware of alternative policies. Those alternative policies are those which the Australian Labor Party took to the people of Australia and which were quite rightly and resoundingly rejected. These include things such as allowing the unfair dismissal laws to remain in place, introducing a payroll tax for small businesses and allowing trade union officials to barge into small businesses unannounced, including home based small businesses. Labor might have a new leader but, unfortunately, what it desperately needs is a new policy in this area. Since 9 October, Labor has failed to ask a single question dealing with small business in this place. The reason is that, as Mr Beazley said himself previously, Labor is simply not a party that pretends to champion small business. It never has and it never will. (Time expired)

Taxation

Senator SHERRY (2.22 p.m.)—My question is to Senator Minchin, the Minister for Finance and Administration. I refer the minister to his response to my question last week when he sought to argue that the OECD’s claim that Australia was only one of two countries that had seen their income tax burden increase between 1996 and 2004 was incorrect. Does the minister recall that he claimed the OECD data was misleading because their measure of the income tax burden included state payroll tax in 2004 but not in previous years—a claim he repeated on yesterday’s Meet the Press? Minister, isn’t it the case that page 26 of the OECD’s report clearly shows that payroll tax is not included in the OECD’s definition of the income tax burden? Isn’t the minister for finance just trying to verbal the OECD to hide from the fact that this is the highest taxing government in Australian history?

Senator MINCHIN—It is always surprising to hear the Labor Party complaining about the level of taxation, given that they are the party who constantly argue for much greater spending by the federal government. Indeed, after every budget, they come out and say: ‘Spend more, spend more. You’re a stingy government. You’re not spending enough.’ They have a standard press release
from every shadow minister saying, ‘The federal government is not spending enough on X, Y and Z’—fill in the blanks. They are the party that constantly believe we should spend more money. Indeed, now Mr Swan and others are out there saying we have to spend a whole lot more on infrastructure. They are attacking us for not spending a whole lot of money on infrastructure. Then they, of course, cynically and quite hypocritically, turn around and say, ‘By the way, you’re also taxing too much.’

The path that they would lead us down, apparently, is to spend more and more and tax less and thus drive the budget back into the sorts of deficits which we had under them and build up $96 billion of debt as they did when they were in government. We are very proud of our record on taxation. We are very proud of our capacity to meet the expenditure needs of the community—the community’s demands for investment in education and health, which we have done to a considerable degree. We are proud of our record of ensuring that we continue to run budget surpluses to pay off the debt that Labor left to us, as well as keeping taxes at moderate levels. Of course, in the tax cuts we have made since the massive tax cuts of the GST, revenues from tax to the Commonwealth in 2005-06 will be $6 billion less than they otherwise would have been. In effect, there is a $6 billion tax cut in the 2005-06 budget.

With respect to the OECD report to which Senator Sherry refers, we made it clear that we thought that misrepresented the picture in relation to Australia, and it does so on several counts. As Senator Sherry and others know, the OECD itself says that we are in the lowest quartile of taxing economies in the OECD. We are the eighth lowest—22 of the 30 OECD countries have a higher tax burden than we do. Comparisons between all these countries are not easy because of the different ways they tax, and it is complicated by the fact that in some of the tables the OECD has included state payroll tax. That is why the Secretary to the Treasury, Dr Ken Henry, wrote to the OECD last week to complain about their presentation of the position. As I said last week, when you remove the effect of employer contributions, you find that tax less cash benefits has fallen since 1996 for single persons without children at 100 per cent of average earnings; it has fallen for single persons without children at 167 per cent of average earnings; it has fallen for one-earner married couples at 100 per cent of average earnings; it has fallen for two-earner married couples at 100 per cent and 33 per cent of average earnings; and it has fallen for two-earner married couples at 100 per cent and 67 per cent of average earnings. You can go through all these cameos and you will find that, for many of them, there have in fact been real cuts in taxation after you allow for, and remove from the system, the payroll tax which the OECD has included. They concede that you have to be very careful when reading their tables because of the fact that Australia, in bringing in the FTB system, moved the mechanism by which we allow for the cost of children from the tax side to the benefit side. So we stand by, very proudly, our record on keeping tax low and we want to continue to do that.

**Senator Sherry**—Mr President, I ask a supplementary question. In reference to the OECD report, doesn’t it show that the parents of two children with combined earnings of $88,000 take home only 38c of each extra dollar earned compared to 51c for a single person with no children on the same earnings? Is the minister aware that the OECD report also shows that, in 29 other countries, such a family would take home between 45 per cent and 88 per cent of any extra money earned? How can the minister justify penalising Australian families who want to get
ahead? Isn’t this exactly the sort of taxpayer that Mr Malcolm Turnbull is advocating for in his public and private jockeying on tax?

Senator MINCHIN—I have not had the pleasure and privilege of reading all that Mr Turnbull had to say about tax, but I did read what Mr Swan had to say about tax. Mr Swan made the outrageous claim that the tax grab is 51.1 per cent for a family with children earning $50,000. That is an outrageous claim. The average tax paid by that group is only 12.8 per cent when family benefits are taken into account. We have a very proud record on supporting families, and our $600 is a real $600. It is not the unreal $600 which the Labor Party tried to pretend about.

Budget: Surplus

Senator ALLISON (2.29 p.m.)—My question is also to the Minister for Finance and Administration. I refer to the fact that, in December last year, Treasury predicted a cash surplus of $6.2 billion for this financial year and a $4.5 billion surplus for next financial year. Is it the case that booming company profits and lower unemployment mean that these estimates are likely to be conservative? If so, why did the minister deny on Meet the Press yesterday that the government would have a surplus of around $10 billion this year? Minister, if this money is not going to be used to improve health and education services, will the government consider using some of that surplus to provide low- and middle-income earners with a tax cut?

Senator MINCHIN—I said in this place last week and I said again on Meet the Press yesterday that we have no idea of the basis from which the assertion comes that this year’s surplus would come in at anything like $10 billion. The government formally stands by the forecasts provided through the Treasury in the Mid-Year Economic and Fiscal Outlook which I think was released in December. We will of course update those figures in the budget itself, but we have no reason to believe at this point that the forecasts in MYEFO will be anything other than what was released in December.

Indeed, if there is anything suggested in the national accounts, it is that there is a slight slowing in the economy, so we certainly do not see any basis for any forecast of a surplus of the order of $10 billion. We have consistently said that we believe surpluses of that order are appropriate when the economy is growing and that it is very important to manage the government’s finances in such a way that when you have economic growth you are, in a sense, using surpluses—which mean that you are taking more in than you are spending—to act as a slight brake on the economy. That is why the Labor Party’s assertion that somehow we have overstimulated the economy is nonsense. We are still running surpluses, so we are taking more out than we are putting in.

Particularly when you have a situation where the private sector are net borrowers, it is very important in terms of economic management that the government itself is a net saver. And of course we are trying to reduce the net debts of the Commonwealth of some $96 billion which were left to us by those opposite. So I think everybody agrees that the fiscal stance of the Commonwealth is entirely appropriate and responsible. We will continue to ensure those sorts of outcomes. But in so doing we have the responsibility of trying to meet the demands on the budget for additional spending in critical areas as well as the demands of those in the community who want to keep tax low. We share that sentiment as well, but the fundamental responsibility on our part is to manage the budget responsibly.

It is very easy to spend more or tax less and all those sorts of things, drive the budget
back into the sorts of deficits which the Labor Party had and leave our children the burden of paying for the debts which are then incurred. We were paying $8 billion a year in interest on the debt left to us when we took office, the debt left to us by the Labor Party. It was one of the single biggest items of government expenditure. I think we were spending as much on debt as we were spending on the nation’s defence. We were spending more on debt than we were spending on education. We do not want to leave that burden to our children.

Senator ALLISON—Mr President, I ask a supplementary question. Does the minister support the comments of Malcolm Turnbull MP reported in today’s Sydney Morning Herald that the capital gains tax concessions allowed ‘the wealthy to shuffle money away from highly taxed income into low-taxed capital investments’? Will the minister now support the Democrats’ proposals to fund income tax cuts to low- and middle-income earners by reforming capital gains tax and negative gearing?

Senator MINCHIN—In relation to income tax, the figures as at 2000-01, which are the most recent figures I have been able to obtain, indicate that the top 25 per cent of income earners paid 64 per cent of the income tax revenue received by the government. On that basis I think it is certainly the case that high-income earners in this country pay their fair share of tax—one-quarter pays two-thirds of the tax that is received by the government that is then spent on education, health, welfare and defence. As to the changes to capital gains tax, we think they were very important to stimulate investment and innovation in this country. Those changes obviously got through this parliament, so they had the support of the Senate. We think they were a very important part of ensuring we continue to have a dynamic, innovative and productive economy.

Regional Services: Program Funding

Senator CARR (2.34 p.m.)—My question without notice is to Senator Minchin as Minister for Finance and Administration and Minister representing the Treasurer. I refer the minister to his press release of 18 February this year in relation to the taxation liabilities of the Beaudesert Rail Association, which stated:

There were discussions between the Railway, the liquidator and the Tax Office about whether that grant was taxable. Once it was explained that the recipient was a not-for-profit organisation, it was clear that there was no tax liability at all.

Is the minister aware of the correspondence from Beaudesert Rail’s accountants, Gillow and Teese, which states that the Australian Taxation Office has determined that Beaudesert Rail is not an exempt organisation for the purposes of income and capital gains tax? Minister, why did you misrepresent the facts associated with the taxation status of Beaudesert Rail?

Senator MINCHIN—There was no misrepresentation involved. The advice to me was that there was no tax liability incurred. Therefore, to the extent that I or my parliamentary secretary get involved in these things, in relation to act of grace payments there was no involvement whatsoever, because the act of grace mechanism only comes into play if indeed there is a liability for which a waiver is sought. There was no liability incurred and no waiver sought, so my statement was absolutely correct and there was no misrepresentation.

Senator CARR—Mr President, I ask a supplementary question. Again I would refer the minister to the correspondence from the chartered accountants Gillow and Teese which states that the ATO had decided that the grant to Beaudesert would not be assessable for taxation purposes since operations had not commenced when the grant was re-
ceived. Can the minister confirm that any organisation that has not commenced operations is not liable to pay tax on any grant received? If not, can the minister explain why it is that Beaudesert received special treatment?

Senator MINCHIN—I am not going to make a general statement. All I will do is repeat the fact that in the case of the grant to Beaudesert Rail there was no tax liability incurred and therefore no question of a waiver for tax liability arose.

Trade: Free Trade Agreement

Senator RIDGEWAY (2.36 p.m.)—My question is to the Minister representing the Minister for Trade, Senator Hill. Given that the government has decided yet again to enter into free trade agreement negotiations with one of our major trading partners without any public consultation or debate and given that the proposed FTA with China is likely to have a major impact on particularly sensitive Australian industry sectors such as the TCF sector, will the minister agree that it is essential that this parliament and the Australian people have the opportunity to review the potential costs and benefits before any of the negotiations commence? Will the minister give an undertaking to table the report from the feasibility study into the proposed FTA in the parliament before the end of this week?

Senator HILL—I will see if the Minister for Trade wishes to table anything, but basically the way in which the parliament does its business is in the hands of the parliament. In terms of the consideration of treaties there is now in place a standing system that has structured a committee with specific responsibilities to look at issues and to inform the parliament. The honourable senator will be aware that, in the setting up of this committee, there was considerable debate about the appropriate role of the parliament and the appropriate role of the executive. Consistent with the fundamental structure of the Westminster system, it was the view of the majority that the committee should not interfere in the executive function but that in terms of its legislative function it was entitled to ensure that it was well informed. The government obviously respects that decision by the parliament. Therefore, the legislature now has a greater role in treaty making than it has ever had before. Before the critical stages are reached by the executive—if it gets to that point—the parliament will be duly informed and have a chance to conduct an inquiry in relation to this proposed free trade agreement.

Senator RIDGEWAY—Mr President, I ask a supplementary question. The minister would be aware that the parliament has pursued the issue of looking at broader assessments dealing with social and environmental outcomes as well as economic outcomes. Is the minister aware that in March 2003 the Prime Minister justified Australia’s participation in the war on Iraq by referring to “the systematic, widespread and extremely grave violations of human rights by the government of Iraq”? Given that the government of China has one of the world’s worst records on human rights, from executing its own citizens to the occupation of Tibet and so on, why is the government rewarding China with preferential access to our market? Why the apparent double standard? Isn’t it true that we will be giving China a price advantage in the Australian market while ignoring human rights abuses?

Senator HILL—It is drawing a long bow to compare the justification for military action in Iraq and the justification for considering a free trade agreement with China. Leaving that aside, Australia is looking at this negotiation because the government believe that it is in Australia’s best interests. As we have said on many occasions, we think bilat-
eral trade agreements that open up market opportunities are important for this country. We are a relatively small economy and we need to trade. The barriers to that trade in the past are better removed, if possible. That is the philosophical basis for entering into and achieving the free trade agreements that we have. The goal is to open markets and to give the Australian business community the opportunity to take advantage of that in order to continue to grow our economy and provide jobs and for all of the other benefits that can flow from that. *(Time expired)*

**Telstra**

**Senator CONROY** (2.41 p.m.)—My question is to Senator Coonan, the Minister for Communications, Information Technology and the Arts. I refer the minister to her comments regarding the government’s private review of telecommunications regulation. Does the minister recall saying, ‘What I want to do is work with Telstra to see if we can get greater transparency in operational separation’? Isn’t letting Telstra write the regulatory rules that will govern it post privatisation leaving the fox in charge of the henhouse?

**Senator COONAN**—I thank Senator Conroy for the question. The situation with regulatory reform is that it goes well beyond issues concerning the regulation of Telstra, as I have been at pains to point out. The government has not yet made a decision as to whether or not it is going to proceed with the full sale of Telstra. In any event, whether it does or does not, regulation of telecommunications is not something that the government just sets and forgets. Basically, you look critically at legislation across the whole telecommunications field. Indeed, in the regulatory space that concerns telecommunications there are a number of areas where the government is currently looking at regulatory reform. One area, for instance, is the price controls that currently regulate Telstra charges. The government has said that it will retain these price controls, but the determination is due to expire in June. I am currently examining a report from the ACCC as to what recommendations or otherwise I would accept in relation to price controls.

Another area relates to the general competition sphere, where the government is examining a number of issues regarding what should occur. One issue relates to the processes surrounding the competition notice that I outlined in some detail last week, also in response to a question from Senator Conroy. So there are a number of areas that relate to telecommunications regulation and that relate to the consumer safeguards. The government has said that it will retain these. Any finetuning is obviously something that the government makes a decision about. But, as Senator Conroy would be aware, when developing regulation the government consults with a wide range of stakeholders. Due to the government’s very effective deregulation of telecommunications and the development of competition, we now have over 100 telecommunications providers in this country. All stakeholders need to be consulted in the development of regulation, including consumers, consumer groups and of course the actual telecommunications providers.

So it is true that the government does consult, and consult very widely, in relation to specific telecommunications regulation. It is an area where of course it is extremely important to provide a level playing field for all of those who wish to compete in telecommunications. The government firmly believes that that provides a much better environment to help competition and to ultimately help consumers, but obviously issues such as price controls critically assist consumers. They are something that the government, as I say, develops in consultation with all stakeholders, not just Telstra. So Senator Conroy
is absolutely dead wrong, as usual. Telstra does not impose what regulatory framework the government considers appropriate; the government develops regulatory controls in consultation with all stakeholders.

Senator CONROY—Mr President, I ask a supplementary question. Isn’t the minister’s private inquiry just an open invitation for Telstra to negotiate a sweetheart deal? Will the minister now support Labor’s transparent public Senate inquiry as the best approach to ensuring that these issues are properly canvassed before the government forces through the sale of Telstra?

Senator COONAN—As Senator Conroy would be aware, the Labor Party just has blind opposition to anything to do with the privatisation of Telstra. We know that Senator Conroy is about to embark on yet another Senate inquiry—this will be the fourth. I think, in the space of about two years—to try to get himself up to speed on issues to do with telecommunications. Senator Conroy simply does not appreciate the difference between structural separation and accounting separation—or any other kind of ring fencing. He does not understand the difference but, no doubt, if he has yet another inquiry wasting the taxpayers’ money, the Labor Party might actually get itself up to speed and get a telecommunications policy, because at the moment, just like everything else about the Labor Party, it is a blank sheet of paper.

Family and Community Services: Senior Australians

Senator WATSON (2.47 p.m.)—My question is directed to Senator Patterson, the Minister for Family and Community Services. Will the minister inform the Senate how the Howard government’s strong economic management is helping senior Australians? Are there any alternative policies?

Senator PATTERSON—I thank Senator Watson for his question, a very appropriate question given that this week is Seniors Week in Victoria and New South Wales. It is an appropriate time to acknowledge our appreciation for the contribution older Australians have made to this country, to our economic growth and to the way of life we are now experiencing, and for that of the armies of older Australians who participate in voluntary programs to assist our community, who are caring for grandchildren and who are doing a range of other things to make life better for all Australians.

In times of economic growth and when the government can afford it, this government believe in giving something back to older Australians. We have put more money in their pockets, we have given them better access to concessions and there is greater recognition of their role as carers and as volunteers. It is only through our strong economic management since coming to government that more support is available for senior Australians. We have put a range of measures in place to support them. The Howard government have guaranteed through legislation that the maximum rate of pension be set at at least 25 per cent of male total average weekly earnings so, as the economy grows, our age pensioners will share in these benefits. As a result, since March 1996 single pensioners are now $44 a week better off than they would have been under Labor’s CPI-only increase method. Payments to single pensioners have risen by more than $140 a fortnight since the election of the coalition government.

The coalition government have also provided a new payment of $200 a year for self-funded retirees, which is paid in two payments a year—$100 each payment. We have decided to make this payment because the states and territories have so far failed to accept a three-year-old offer from the Austra-
lian government to extend concessions to self-funded retirees. We have had that offer on the table for three years, asking the states to assist us in meeting the costs of concessions equivalent to those that pensioners had. The states have failed to do it. These people would have been on a pension if they had not provided for themselves and been receiving those concessions.

So, through strong economic management, we have been able to provide an extra $283 million over four years to assist older Australians. Again it is the Howard government standing up for older Australians. Another example of how the Howard government’s strong economic management is benefiting older Australians is in the government’s new utilities allowance. A commitment from the last election campaign, the allowance will be paid to people of age pension or veterans’ pension age receiving income support. The utilities allowance is $100 per year for singles and $50 for each member of a couple. It will be indexed to the consumer price index, and again those payments are made twice yearly—the yearly payment is made in two lots. I am pleased to say that the first payment will be made next week.

As I have said before, when we came into government, pensioners were paid on a Thursday. We consulted through the International Year of Older Persons—our government’s response to that—and people said to me as I was going around the country doing consultations: ‘I really don’t want to be paid a pension on Thursdays. It discriminates against me. The banks are busy.’ So we gave people a choice of having a payment day. The first payment will be paid on their first payment day after 21 March.

We have given assistance to older Australians who have moved to residential care. From 1 July, accommodation bonds paid by residents entering low aged care will be exempt from the social security and Veterans Affairs’ tests for the person in care. We increased the private health insurance rebate for people aged over 65 and then people aged 70 or over. We have introduced the pension bonus scheme and 80,000 people have registered with the scheme since it began. In 2004 people received an average of more than $11,000.

The Australian government value the contribution of senior Australians. We will always seek to support them. It is only through strong economic management that you can give seniors this sort of increased support.

**Telstra: Privatisation**

**Senator HOGG (2.51 p.m.)—** My question is to Senator Coonan, the Minister for Communications, Information Technology and the Arts, with respect to the sale of Telstra. I refer the minister to recent statements of the President of the Queensland National Party, Mr Terry Bolger. Is the minister aware that Mr Bolger stated, ‘If we tried to keep up with the messages that are coming out of Canberra on this issue, we would probably be as silly as they are’? He also said: All sorts of things have come out of there that just really don’t make a lot of sense to me and it just seems to be in a state of disarray for a direction forward …

Can the minister confirm that Mr Bolger also stated that the Queensland Nationals were certainly opposed to the sale? Minister, did the Queensland National Party inform you of these views during your ‘listening tour’ of regional Queensland?

**Senator COONAN—** Thank you to Senator Hogg for the question. One thing I can assure Senator Hogg about is that nothing that is said on this side of the chamber about Telstra can be as silly as what is said on that side of the chamber about Telstra. I know that this is a very sensitive issue for the Labor Party but what I was about to say to
Senator Hogg, in answer to the question about whether the National Party or Mr Bolger said anything to me about that during my last visit to Queensland, is no. Far from being divided on this issue—and I know the Labor Party hates this—interestingly enough the government, Telstra and the regulator are all talking in similar terms. All have indicated their support for my proposal of considering operational separation, or ring fencing, as a way of addressing concerns about the transparency of Telstra’s operation.

My colleague Senator Minchin stated on the weekend that he supports the proposal of considering operational separation as an alternative to the structural separation of Telstra. Last week Dr Switkowski added his support to this proposition. He welcomed the comments ruling out structural separation. He said Telstra would have a look at ideas for greater transparency and that there may be elements of operational separation that Telstra should support. Interestingly, the Minister for Trade, Mark Vaile, also indicated his support for my approach of looking at internal separation of Telstra. He too has pointed out that international experience suggests that structural separation does not work.

Critically, the ACCC has also added its support to greater internal transparency rather than full structural separation. We all seem to be on message over this side. For the first time I think we are in a position where almost all of the relevant stakeholders are in broad agreement about the need to consider the question of enhanced transparency by means of internal separation. I know that this is obviously not something that the Labor Party wants to countenance or even understand but it is very clear that the government has already countenanced—and indeed this parliament has voted for—accounting separation. That is all about transparency. Everyone understands that what we are talking about here is enhanced transparency between the wholesale and retail arms, and my proposal is a way to go forward to provide that enhanced transparency to allow better competition and a more level playing field, and to deal with the issues of ensuring that regulation of Telstra meets the needs of consumers and competitors.

Senator HOGG—Mr President, I ask a supplementary question. Is the minister also aware that Mr Bolger recognised that in excess of 70 per cent of people in Queensland are opposed to the privatisation of Telstra? Why won’t the minister recognise that the majority of Australians remain opposed to the Telstra sell-out?

Senator COONAN—Thank you, Senator Hogg, for trying at least valiantly to keep this up. We all know that the real opposition to the sale of Telstra in Australia is from the Labor Party. I just had a look at their policy from the last election. I think it must have been Senator Conroy who said that the main plank of Labor’s telecommunications regulatory policy for a number of years has been its opposition to the privatisation of Telstra. What an absolute poverty of ideas on the other side. They are absolutely obsessed with Telstra and cannot see how to provide better competition and a better telecommunication framework for the benefit of ordinary Australians.

Immigration: Asylum Seekers

Senator NETTLE (2.56 p.m.)—My question is to the Minister for Immigration and Multicultural and Indigenous Affairs, Senator Vanstone. Can the minister explain to the Senate what the government’s policy is with regard to the deportation of Christian Iranians to Iran? I am sure the minister is aware that in Iran conversion to Christianity is a crime that is punishable by death.

Senator VANSTONE—I thank the senator for the question. The policy with respect
to the deportation of anybody from Australia is that it is done on a case-by-case basis, looking at the circumstances of each case and looking at the circumstances not necessarily of the country as a whole but further than that at the particular area the person might be being returned to. It is not my advice that it is unsafe for one to be a Christian in Iran, but conversion raises another issue. I have had discussions with the Uniting Church in Australia in relation to their preparedness to certify as to whether people have genuinely converted or not. I am sure you would be aware of the risk of people who understandably want to stay in Australia choosing to take that path in a less than genuine sense. But of course there are people who do take it in a genuine sense. So the short answer is: very carefully on a case-by-case basis.

Senator NETTLE—Mr President, I ask a supplementary question because, when I asked a similar question in December of last year, the minister gave an answer that related to an individual case in which the RRT had made a decision that the conversion was not genuine. I wondered if the minister could explain the criteria for whether somebody has made a genuine conversion to Christianity. I note that you mentioned the Uniting Church. Could you explain what the criteria is for determining genuine conversions to Christianity?

Senator VANSTONE—I will come back if my memory mistakes me, but I think the case you refer to is the one that I was thinking of the other day when I said I have had situations from you before where you have made allegations in this chamber that have turned out not be correct. I think the one you are referring to is the one where you alleged that the person was given no opportunity to take anything out of their bags that might have indicated an interest in Christianity, which allegation was false. I think that is the case to which you are referring. There is not, as I understand, a set guide for deciding these things. They are undertaken by the Refugee Review Tribunal obviously on the basis of what they are told and what responses people can give to answers. I do not think that it is easy to codify that, certainly not to give you an answer in this short period of time. As I said, once they have been through the RRT they can nonetheless come to me. (Time expired)

Anzac Cove

Senator MARK BISHOP (3.00 p.m.)—My question is to Senator Hill representing the Minister for Veterans’ Affairs. Given that 4,000 Australians were missing presumed killed at Gallipoli, isn’t it highly likely that the risk of exposing bones during the current roadworks on the site is very high? Can the minister confirm that this work is being done at the request of and using funds provided by the Australian government? Can he say what funds have been contributed and can he advise what research was conducted by Australian authorities at the site before the work commenced? Can he also advise what contingency plans were in place in the event of bones being uncovered, and did these plans include halting the work if necessary?

Senator HILL—A number of those questions have been asked and answered in recent times—

Senator Mark Bishop—The issue is still running.

Senator HILL—Yes, the issue is still running, and I think that that illustrates the genuine concern of Australians over this issue. It is a sacred place to Australia, but I think that a number of ministers have also made the obvious point that it is also a sacred place to Turkey. It is also Turkish land, and the Turks have done a really good job in preserving our interests, which is our concern for the graves of those that we lost in Turkey,
and that they try to do it in a way to that will allow Australians to visit—and, if you look at what is happening now on Anzac Day, allow very large numbers of Australians to visit—in a safe environment on that occasion.

I am told that the Australian ambassador has informed the Minister for Foreign Affairs as a result of her visit to the site that there was no obvious evidence of human remains being unearthed by the road construction. I am told that the Commonwealth War Graves Commission inspected the area carefully for human remains prior to new excavations and none were found. The commission advises that the cliffs were thoroughly searched in the 1920s and remains were interred in cemeteries and that it continues monitoring the road work.

It cannot be ruled out of course that remains could be turned up as happens on other battlefield sites. The Commonwealth War Graves Commission has long established protocols and procedures in place should human remains be found. The Turkish government has undertaken to cease work immediately if that occurs. I am told there has been no damage to any cemeteries at the site. As I indicated, roadworks are necessary for safety and access for the large and increasing number of visitors. The area is of course under Turkish management and control, and we will continue to discuss with Turkish authorities what action is necessary to minimise impact, including removal of earth from the beach. So the situation, I think, is being handled sensitively, but we have to understand that there is an obligation to provide a safe environment for Australian visitors and visitors from elsewhere. It is important that we work cooperatively with the Turkish authorities to achieve that goal. It is important for us to work with them in a way that shows respect for those who lost their lives and are buried at that place.

**Senator MARK BISHOP—**Mr President, I ask a supplementary question. Does the minister recall the frenzy of representations to France in 2004 to stop a planned airport lest Australian bodies be disturbed? How then does the government explain the contradiction between that case and the current road construction at Anzac Cove which carries exactly the same risk, the only difference being that the current roadworks are being undertaken with direct Howard government encouragement and funding?

**Senator HILL—**I am surprised that Senator Bishop would ask that supplementary. If he cannot see the distinction between an airport and a national park that is being made a park in memory of those who lost their lives then something is missing. What happened in France was a proposal that was incompatible with the concept of conservation of war graves; what is happening here is the conservation of those war graves in a way that will allow those who want to share the memory and show respect to be able to visit those graves in a safe way. This is not an easy issue and a bit more constructive support from the opposition might be a better contribution, I would respectfully suggest to Senator Bishop. Mr President, I ask that further questions be placed on the Notice Paper.

**QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS**

**Crime: People Trafficking**

**Senator ELLISON** (Western Australia—Minister for Justice and Customs) (3.06 p.m.)—Senator Greig asked me a question on 9 March in relation to victims of trafficking. I have further information in relation to that question and I seek to incorporate the answer in Hansard.

Leave granted.

*The answer read as follows—*
During Question Time on 9 March 2005, Senator Greig asked me a question regarding victims of trafficking.

The Australian Government is committed to eradicating the despicable practice of trafficking in persons. One of the most important initiatives is the new Australian Federal Police (AFP) mobile strike team (Transnational Sexual Exploitation and Trafficking Team (TSETT)) is operational and is proactively investigating trafficking-related offences. There are currently five matters before the courts, with a total of 14 offenders facing charges in Australia for sexual servitude and slavery-related offences. The AFP’s TSETT is investigating a number of other cases.

In relation to the specific question asked by Senator Greig about visa arrangements for trafficked persons, I can confirm that women trafficked to Australia before 1999 are eligible for the full range of visas available under the Government’s package which includes Bridging Visas F, Criminal Justice visas and Witness Protection (Trafficking) visas.

The extent of that protection depends on whether they can assist investigations into slavery offences that existed before the 1999 reforms.

Such women are also eligible for support under the comprehensive victim support program.

In addition, the visa arrangements are not restricted to victims of trafficking; they are also available to witnesses who can provide assistance to a trafficking investigation.

Of course, since the modern slavery and sexual servitude offences were introduced by the Government in 1999, it is easier to prove offences relating to trafficking and those amendments will be enhanced further by the Criminal Code Amendment (Trafficking in Persons Offences) Bill 2004 which is currently before Parliament.

In relation to the women detained in Villawood Detention Centre, I can confirm the Australian Federal Police investigated the allegations made by the two women concerned.

These were lengthy and comprehensive investigations. As a result of these investigations the support package was withdrawn.

It would not be appropriate to comment on the reasons for this. I can say however, this action was in line with the appropriate policies to address the problem of sexual servitude.

QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS

Taxation

Telstra

Senator SHERRY (Tasmania) (3.06 p.m.)—I move:

That the Senate take note of the answers given by the Minister for Finance and Administration (Senator Minchin) and the Minister for Communications, Information Technology and the Arts (Senator Coonan) to questions without notice asked by senators today relating to taxation and to Telstra.

Over the last two weeks the Labor opposition has focused on a range of economic data that indicate some serious problems that the Australian community currently face with the Australian economy. In response to at least some of those questions put to Senator Minchin we have been given incorrect and misleading information by the minister, Senator Minchin. It is regrettable that he is not here to respond to the claims that I have made in question time and am making in this debate today. It shows a developing arrogance by this government. When ministers, in this case Senator Minchin, are directly challenged about the misleading answers that are being given to some questions, when the going gets tough, when they get into some trouble and difficulties, it is unfortunate, to say the least, that ministers will not front up and explain why misleading answers are being given to the Senate.

Most of us can recall the so-called Charter of Budget Honesty, which supposedly binds ministers of this government, that was established with such great fanfare by the Prime Minister, Mr Howard. In that Charter of Budget Honesty is a requirement that when
ministers give incorrect or misleading information they should come into the Senate and correct the record. Let me go to a couple of instances where the minister, Senator Minchin, has provided incorrect and I believe misleading information.

He was asked last week about Australia’s foreign debt, the record current account deficit and the increase in interest rates, and to explain the dramatic increase in Australia’s foreign debt to a historic high. As part of his explanation—or in this case his excuse—he referred to Australia’s growth rate. He said that this was one of the causes for the increase in foreign debt to a historic level. He claimed in his answer on 9 March that it was due to the economic growth rate. This cannot be right, because the economic growth rate for the fourth quarter was amongst the lowest in the developed world: it was only 0.1 per cent.

His second excuse was to provide alleged information that the high foreign debt was the fault of the strong Australian dollar. So there were two explanations. However, in the Senate it was pointed out that this was, again, incorrect. The value of the Australian dollar, the weighted exchange rate, which is the important valuation for the current account deficit and foreign debt, was unchanged over the year 2004. I challenged the minister on his incorrect answers last week and he still held to them when they are plainly wrong. That is two instances of wrong information and wrong explanations given by Senator Minchin. He is representing the Treasurer, we understand that, and it is not always possible that he would have the most up-to-date and accurate information available. But when the going gets tough and there are a few difficult issues this government is developing an increasingly arrogant tendency to provide misleading information.

Last week, when questioned on the OECD report that showed Australia had the highest income tax burden other than Iceland, he referred to the inclusion of payroll tax. That was not right—page 26 of the OECD report shows that payroll tax is excluded from the tax burden. So, again, he gave a clearly misleading answer. The minister should get down here to the Senate and explain himself. It is not good enough. It is arrogance for a minister to give misleading answers and not front up and correct the record. It is not good enough. It is part of an attempt to distract from their poor economic record and some critical problems emerging in the Australian economy to blame everyone—the states, the unions. It is certainly not good enough to give misleading information to the Senate. (Time expired)

Senator FERGUSON (South Australia) (3.11 p.m.)—It seems as though Senator Sherry has had to fill in for the last few days of the sittings of this parliament because the only issues that have been raised have been economic issues. There does not seem to be anything else of any importance. Senator Sherry accuses Senator Minchin of misleading the Senate. It is no wonder that Senator Sherry leaves this chamber immediately he has spoken because if anybody is misleading the Senate it is Senator Sherry. Senator Sherry comes from a party that has some form. If he thinks that what has been said in this chamber in recent times is misleading, he ought to look back at what the leader of his own party said in 1996 when he said that the budget was in surplus when in fact there was a $10 billion deficit. If ever there was any misleading statement made by a minister, then it was by his own current leader, who misled the Australian public when he said that the budget was in surplus but there was a $10 billion deficit.

Senator Sherry comes in here and says that it was pointed out in the Senate that
Minister Minchin’s answers were incorrect. Who says they are incorrect? None other than Senator Sherry. Senator Sherry says that Senator Minchin’s answers were not correct. It is the same Senator Sherry whose own leader misled the Australian public some 10 years ago to the extent of $10 billion. It is the same Senator Sherry who repeats the same figures and the same arguments in relation to the taxation figures of the OECD, a matter on which I will have something to say directly.

Senator Sherry also talks about the record foreign debt. The only thing that Senator Sherry can lay claim to is the fact that he was part of a government that had a record government debt. The one thing that this government can do and has done is make sure it did something about the horrendous levels of government debt that occurred under the Hawke and Keating governments. It bears repeating—$96 billion of government debt that the Hawke and Keating governments were responsible for. Because of the sound economic policies of the Howard government, that government debt has been reduced to some $23 billion. That is the sort of responsible economic management that Senator Sherry ought to be congratulating the government on. He ought to be congratulating the government on making sure that the government’s portion of the debt that has currently been accumulated by Australia is some $23 billion.

The measure of debt really is in the ability to repay. The ability to repay the record $423 million of foreign debt that currently exists—$400 billion of which is private debt—is demonstrated by the fact that our economy has grown twice as much since that time of the $96 billion government debt. The economic record of this government in making sure that we have low wage growth and low inflation and the fact that we have low interest rates have meant that we have been able to repay the debt accumulated by the Hawke and Keating governments. This government has made sure that, in repaying that debt, we have the ability to service any debt that currently exists. Also, the one way to counteract a huge foreign debt and its impact on the economy is to make sure that we run surplus budgets. Seven out of the nine budgets delivered by the current Treasurer, Peter Costello, have been surplus budgets, which have increased the downward pressure on interest rates and the downward pressure on inflation and kept our economy in good stead.

Senator Sherry talked about the OECD report. Much has been said about the OECD report but, as was the case in 2003, the OECD report shows that the average Australian worker, once again, has the second highest disposable income in the OECD. That is the important statistic. Taking tax and benefits into account, average Australian workers have higher real incomes than average workers in any other country except South Korea. That is the important statistic that Senator Sherry should be reinforcing in this chamber, because the sound economic management of this government has put us in the position now that Australian workers are better off than they ever were during the Hawke and Keating years between 1983 and 1996. This chamber should never be allowed to forget it.

Senator CROSSIN (Northern Territory) (3.16 p.m.)—I think the answers to today’s questions clearly show that this government has no long-term plan when it comes to handling the economic future of this country. It seriously misled voters as it went to the last election and now, as the problems unravel before it, it seems to be jumping at shadows. It cannot decide whether it wants to split Telstra up or not split Telstra up. It cannot decide whether to invest in shares or not invest it in shares. Now we have a report from the OECD that claims that Australia is one of only two countries to have seen the income
tax burden increase between 1996 and 2004. You have to wonder what on earth Australia has in common with Iceland, particularly considering that I come from the tropics in the Northern Territory and from the town which has just escaped the atrocities of cyclone Ingrid in the last 24 hours. Apparently, along with Iceland, we are one of only two countries whose tax burden has increased since 1996.

The catchcry from members of the government these days seems to be to make it up, mislead the public or deny you ever said it in the first place. There is no acceptance that, in fact, they got it wrong and they made a wrong call. A classic case is the example highlighted by Senator Sherry today. We have a minister who has vehemently suggested that the OECD’s definition of the income tax burden does include payroll tax. Clearly the OECD says it does not. Then the minister suggested that the OECD figures did not include any of the family tax benefits or policies that the government has launched in the last year or so. The OECD, in fact, says that the increase in the average tax burden in Australia is partly explained by the shift of some payments from the tax system to the Department of Family and Community Services. If I had to choose between relying on the words of Senator Minchin and on the report from the OECD, I know which one I would back in terms of reliability and honesty.

This government has squandered a once in a generation opportunity to make lasting changes that could take Australia’s prosperity to the next level. We had the Intergenerational report of some years ago. We have had no long-term plan and no sustainable vision from this government about where it believes it ought to send this country in the next 10 years and how it is going to get there. It has no plan to address the skills crisis, other than to increase the skilled migration numbers and to set up 24 technical colleges around the country, which we know, to all intents and purposes, will simply duplicate what is happening out there. It is a total waste of money and a total waste of effort to drag 300 kids out of senior secondary classes when in fact we will not see any person graduate from those technical colleges until 2010. The skills shortage is chronic and that investment is needed now. That money should be invested here and now into boosting the trade requirements of our businesses and the skills required by this nation. Money needs to be injected into the growth funds of TAFE and training providers to ensure that there are additional hours and places right here and now, not by 2010.

The infrastructure bottlenecks are really acting as a brake on Australia’s future growth and prosperity. This government has created an economy that is driven by unsustainable debt-fuelled consumption, not by exports and sustained productivity growth. We know that the Prime Minister and the Treasurer are dangerously indifferent to this spiralling foreign debt and trade debt which makes Australia’s economy more vulnerable. We had a $66 billion hole punched into the bottom line during last year’s election campaign when we saw short-term political fixes rather than measures to address the long-term risks to our economy. This government, as we now know—and history will record this fact—is the highest taxing government ever. It places the biggest ever tax burden on Australian families. It does nothing to overcome the tax- and welfare-trap debacle. It has done nothing to overcome spiralling wages in this country. In fact, it now wants to even attack the minimum wage and how that is ascertained. There are great challenges and serious risks ahead for the economy of this country. What we do not need are people like Senator Nick Minchin who say one thing on the one hand and deny an international report.
such as that produced by the OECD on the other hand. (Time expired)

Senator WATSON (Tasmania) (3.22 p.m.)—I wish to remind the Senate that Senator Minchin, the Minister for Finance and Administration, is a strong and admired federal minister in that portfolio. Unfortunately, we have seen of late in this chamber a habit of some nitpicking and personal character assassination. It is unfortunate that some of the people who have been engaging in that should be the last to lecture people. I well remember Senator Sherry’s comment in relation to the framework of the pension level for age pensioners in Australia, when his error led to great embarrassment to his federal leader at the time.

Perhaps, on a positive note, I could take this opportunity to look at some of the strengths of the Australian economy—strengths that seem to be ignored by the opposition. The economy in Australia is very strong. Australia’s is a growth economy, and that economy is being pushed along by a very high consumer sentiment. Business confidence is also high. Business investment increased by 5.8 per cent in December and unemployment is at a 30-year low, at 5.1 per cent. Rather than accelerating, the economy is starting to moderate a little from a very high base. Inflation is low, and we must remember that the Reserve Bank of Australia has a charter to keep rates between two and three per cent. Despite some lifting of the rate last week—one writer referred to it as ‘minuscule’—even the Reserve Bank has said that it cannot see inflation blowing out by the end of the year. So it was a prudential early warning move.

I remind the Senate that interest rates are very low by historical standards—7.3 per cent at the moment. They have ranged between six and eight per cent under the Howard government, whereas they varied between 10.5 and 17 per cent under Labor. Australians are saving $550 a month on an average mortgage compared with when Labor was thrown out. I think a lot of people have forgotten that. Economic growth did slow a little in the December quarter, with GDP increasing by 0.1 per cent and 1.5 per cent throughout the year. The major contributor to growth in the December quarter was business investment, while dwelling investment and net exports subtracted a little from that growth. Domestic final demand has slowed a little in recent quarters, consistent with a necessary rebalancing of economic growth. But in Australia at the moment we have a fortunate position in some sense because our problem is supply constraints, and some of those supply constraints can be traced back to the tardiness of state governments in terms of infrastructure development.

Australia has benefited from a significant increase in its terms of trade. They are currently at their highest level since the September quarter of 1974, and this is providing a substantial boost to domestic incomes. Reflecting strong rises in the terms of trade, real gross domestic income increased by 0.5 per cent in the December quarter and 3.5 per cent through the year, substantially stronger than GDP. Household consumption also increased. Net exports subtracted 0.6 per cent from GDP growth in the December quarter. Export growth has been weaker than expected, but a significant amount of investment undertaken in the export orientated sectors in recent years suggests that export growth will strengthen significantly over the next year. In fact, the mining industry alone has invested around $26.5 billion in additional productive capacity over the last three years. This is indeed a boom time for the mineral industry. The increase in the terms of trade contributed 1.0 per cent to the GDP
chain price index in the December quarter and nominal GDP grew by a solid 1.4 per cent.

So, in summary, while GDP growth has slowed perhaps by a little more than expected in recent quarters, economic conditions in Australia do remain very strong. I repeat: unemployment has dropped to a 30-year low of 5.1 per cent, interest rates and inflation are at very low levels by historical standards and business investment is growing strongly. We have a great economy.

(2.15 p.m.)

Senator WEBBER (Western Australia) (3.27 p.m.)—There is an old saying along the lines of ‘another day, another dollar’. Unfortunately, with this government, and particularly with Minister Minchin in recent times, I think it would be more appropriate to say ‘another day, another excuse’. Last week we heard, over and over again, about how the OECD report on the taxation burden of Australians was inaccurate because it included state payroll taxes. Answer after answer, over and over again, that was what the minister said. Last week was yet another example of this government seeking to distract the Australian people from one of their failings—this time by blaming an OECD report. For this government, it is a case of, ‘If you don’t like the conclusion, then the data must be flawed.’ It is always someone else’s fault.

If the reality is that Australia was only one of two countries that had a tax burden increase, then run out with the smoke and mirrors and claim that the report was no good. It is the report’s fault, not the government’s fault. They are absolutely without any shame on the opposite side. They will say anything and do anything to avoid having to accept responsibility for their own mess. We have seen this pattern of behaviour over and over again in recent times, and it is a very sad state of affairs. Every time there is evidence to suggest that the government is responsible for something, they come out and attempt to distract the Australian people.

The simple fact in this case is this: the OECD report reached the conclusion that Australia was one of only two countries that had seen the tax burden increase between 1996, when this government came to power, and 2004. That is not something you can blame anyone else for. The minister, however, came in to this place and said that the OECD report was misleading because the OECD measure included state payroll tax in 2004 and in no other year. Therefore, the entire report was wrong, according to him. The minister told the Senate that the report was a dud because in one out of the eight years it had included state payroll tax. Now we know that the reality is that the OECD report clearly showed that payroll tax was not included in their definition of the income tax burden faced by Australians. So what do we have? Simply put, either through commission or omission—and I am not sure which he would like to admit to—this minister has misled the Senate through the interpretation he put on this very important OECD report.

The minister made a claim and repeated it over and over again—a claim that has since been demonstrated to be incorrect. Therefore, he should probably come back in here and do the proper thing and actually fess up, like most people have to do. But we know that Howard ministers do not have to do that. They do not have to worry about that measure of accountability. The Howard government’s standard operating procedure is: deny, deny, deny. When anything—particularly in terms of economic policies—is pointed out to be wrong or inaccurate or what have you, you deny the government’s role and you blame everyone else. You make disparaging comments about the validity of reports, the data used or even the authors of those re-
ports. Regardless of the issue, this government follows the same process over and over again. They use every trick in the book whenever they do not want to accept responsibility for their own actions.

However, they are always on the front foot when it comes to claiming credit, as Senator Watson has pointed out. They go missing in action whenever the news is bad, yet they are busy pushing each other out of the way to be first to the microphone whenever the news is good. That is not fundamentally good economic policy. The minister should come in here and confess that the OECD report did not say what he claimed it said regarding last year. He should get on with accepting that this is the highest taxing government in Australia’s history and come up with a reasonable policy to ease the burden on everyday, honest, tax-paying, hardworking Australians.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (3.32 p.m.)—This matter was also the subject of a question that I asked today, so I am happy to comment on it. The Democrats were disappointed in the response by the Minister for Finance and Administration, and particularly disappointed that the government is not admitting that, in relation to the cash surpluses which were estimated in the Mid-Year Economic and Fiscal Outlook to be $6.2 billion for 2004-05 and $4.5 billion for 2005-06, the fact is that those estimates were put together after all the election commitments were considered and before improvements that should have meant that that surplus would be even higher. Company profits have been higher than expected and unemployment is now steady at 5.1 per cent compared with 5.5 per cent at the time of the mid-year statement and estimate. It is also true that participation rates in employment have increased. They are now 54 per cent rather than the estimated 63.5 per cent. That means there are more people in the work force paying income tax and fewer people receiving unemployment benefits.

As has already been said, the OECD report last week showed that low- and middle-income families in this country face unfairly high effective marginal tax rates. That, of course, takes away the incentive people would have to get off welfare and back into the work force. For every extra dollar that a middle-income earner gets, the OECD report recognises that they will only receive 40c. Of the dollar they earn, over 60c goes to federal government income tax and the clawbacks of family payments. In last year’s budget, the government gave $14.7 billion in tax cuts to the wealthy—that is, those people earning over $52,000 per year. Our preference would have been that tax cuts go to all taxpayers, particularly those people on low incomes. It is absurd that our tax system starts taxing people as soon as they earn $6,000. That is just half of the poverty line figure. We think it is ridiculous that the Australian government imposes tax on people who live below that poverty line of around $12,500. With the $14.7 billion given to high-income earners we calculated that every Australian could have received $10 a week in tax cuts, but instead the government, supported by the ALP, gave $42 a week to the highest income earners and nothing to low-income earners, as I said.

It was interesting to hear Mr Malcolm Turnbull’s comments at the weekend, urging the government to address tax avoidance to fund tax cuts. We agree. Treasury figures show there are many tax concessions existing within our convoluted tax system. Based on Treasury figures, we believe that over $5 billion a year could be collected by cracking down on what is legitimate tax. The tax concession for company cars, for instance, costs us around $1.2 billion. It works in such a way that, the more you drive your car, the more tax you save. It is very bad for the en-
environment and bad for the tax system. Capital gains tax concessions are costing around $2.6 billion every year. Limiting negative gearing could save about $1 billion a year. The Ralph review of business tax has estimated that $2.3 billion could be raised over four years by taxing companies as trusts.

The Democrats support Mr Turnbull’s remarks. We suggest that the government should cut back on the legitimate tax minimisation strategies and, if they did so, significant tax cuts could be provided to all Australians, including the high-income earners. By cutting the top tax rate, we can reduce the motivation for tax avoidance as well. Today it was useful in question time to receive the minister’s responses to these questions of tax and fairness in tax, but his responses have been disappointing, to say the least. I do not know what happened to the $6.2 billion for 2004-05 but, when you add to that the expected $4.5 billion for 2005-06—that is on conservative estimates—it adds up to $10 billion. (Time expired)

Question agreed to.

NOTICES

Presentation

Senator George Campbell to move on the next day of sitting:

That the time for the presentation of the report of the Foreign Affairs, Defence and Trade References Committee on the effectiveness of the Australian military justice system be extended to 10 May 2005.

Senator Watson to move on the next day of sitting:

That the Joint Committee of Public Accounts and Audit be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 16 March 2005, from noon to 1.30 pm, to take evidence for the committee’s inquiry into the review of Auditor-General’s reports.

Senator Brandis to move on the next day of sitting:

That the time for the presentation of the report of the Economics Legislation Committee on the 2004-05 additional estimates be extended to 16 March 2005.

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

That the Senate—

(a) notes that:

(i) on 17 February 2005, the Senate of the United States of America (US) approved unanimously bill S.306, ‘A bill to prohibit discrimination on the basis of genetic information with respect to health insurance and employment’,

(ii) this is the second genetic non-discrimination bill to pass the US Senate,

(iii) despite continuing advances in genetic technology, Australia still has no nationally consistent legislation dealing with genetic privacy and non-discrimination,

(iv) Australia has documented cases of genetic discrimination, and

(v) the Government has not yet established a Human Genetics Commission of Australia as recommended by the Australian Law Reform Commission (ALRC) and the Australian Health Ethics Committee in recommendation 5-1 of ALRC report no. 96, ‘Essentially yours: The protection of human genetic information in Australia’, dated March 2003;

(b) condemns the Government for failing to act on the report; and

(c) calls on the Government to implement the recommendations of the report as a matter of urgency.

Senator Mark Bishop to move on the next day of sitting:

That there be laid on the table by the Minister representing the Minister for Veterans’ Affairs, no later than 3.30 pm on Wednesday, 16 March 2005, a copy of the letter from the then Minister for Veterans’ Affairs sent in August 2004 to the Government of Turkey requesting road improve-
ments near the ANZAC commemoration site at Gallipoli.

Senator Brown to move on the next day of sitting:

That the Senate opposes China's 'anti-secession' laws which would mandate the use of military force if the Taiwanese people opt for independence.

Senator Brown to move on Wednesday, 16 March 2005:

That the Senate—
(a) notes that the Federal Government is considering a report which recommends axing the Tasmanian Symphony Orchestra; and
(b) calls on the Government to rule out any such axing of the orchestra and, instead, to guarantee the future of this world renowned orchestra.

Senator FERRIS (South Australia) (3.38 p.m.)—On behalf of Senator Tchen and the Standing Committee on Regulations and Ordinances, I give notice that, at the giving of notices on the next day of sitting, Senator Tchen shall withdraw business of the Senate notices of motion Nos 1, 3 and 4 standing in his name for 11 sitting days after today, for the disallowance of Amendment No. 1 to the Transitional Arrangements for Students Guidelines, the OS-Help Guidelines and the Other Grants Guidelines made under the Higher Education Support Act 2003. I seek leave to incorporate in Hansard the committee's correspondence concerning these instruments.

Leave granted.

The correspondence read as follows—

OS-Help Guidelines and the Other Grants Guidelines
2 December 2004
The Hon Brendan Nelson MP
Minister for Education, Science and Training
Suite M1.24
Parliament House
CANBERRA ACT 2600

Dear Minister
I refer to the following Guidelines made under section 238-10 of the Higher Education Support Act 2003.

OS-Help Guidelines
These Guidelines specify procedures to be followed by higher education providers in the selection of students for the receipt of OS-HELP assistance and in the administration of such assistance, and specify the method for determining the number of students who may be selected for such assistance.

Clause 3.5.15 of these Guidelines requires a higher education provider to advise the Department of Education, Science and Training if the provider knows or has reason to believe that a student in receipt of OS-Help assistance has provided false or misleading information to the provider in their application for assistance. The Clause states that the provider should not discuss the matter with the student unless advised to the contrary by the Department. Neither the Clause nor the Explanatory Statement gives information about the reason for this prohibition on contact with the student. It is not clear at what stage the student will be made aware of the provider's suspicions. Further, it is not clear whether a provider is at liberty to make inquiries of the student in order to confirm whether an initial suspicion is something that should be notified to the Department.

Other Grants Guidelines
These Guidelines specify the requirements for certain grants specified in subsection 41-10(1) of the Act. The Committee raises the following matters with regard to some of the provisions contained in these Guidelines.

Subclause 6.45.1 provides that the Department is bound by the Information Privacy Principles set out in section 14 of the Privacy Act 1988. Subclause 6.45.2 states that the only personal information collected by the Department 'relates to' the name, work telephone, fax and email details of the contact officer of the higher education provider. It is not clear whether the words 'relates to' imply that personal information other than actual names, telephone/fax numbers and emails will be collected. The impression that other information
may be collected is reinforced by subclause 6.45.3, which describes procedures that seem to contemplate a much larger collection of personal information. The Committee therefore seeks your advice about the precise scope of personal information that will be collected.

Chapter 9 of the Guidelines deals with Grants to Foster Collaboration and Reform in Higher Education. Subclause 9.15.5 provides that 20% of the allocation in each year may be reserved for consideration of proposals that are outside the competitive funding rounds. These proposals must be consistent with objectives of the programme, and they must strategically address programme priorities. Presumably the objectives are those set out in clause 9.5, but it is not clear where the programme priorities are stated and who makes the discretionary decision about the 20% of the allocation.

Clause 9.25 states that application forms and information are available on the Department’s website. It might assist users of these Guidelines if this clause included a cross-reference to the website address.

Chapter 11 of the Guidelines deals with Grants to Enhance the Quality of Australia’s Higher Education Sector. Clause 11.2 lists four bodies corporate that are eligible for grants. Subclause 11.2.10 specifies an amount of grant to the Carrick Institute for 2005 and 2006. No amounts are specified for the other three eligible bodies. The Committee therefore seeks clarification for the absence of specified grants for the other eligible bodies.

Finally, the Committee considers that some of these questions may not have been necessary had the Explanatory Statement contained an item-by-item explanation of the provisions. The Committee draws this matter to your attention as it is important that Explanatory Statements are as informative and precise as possible.

The Committee would appreciate your advice on the above matters as soon as possible, but before 22 January 2005, to enable it to finalise its consideration of these Guidelines. Correspondence should be directed to the Chairman, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.
for persons who are prematurely made aware that they are being investigated to seek to destroy vital evidence before investigators obtain it, or to attempt to influence witnesses.

It is therefore important that university staff should not make initial enquiries of the student being investigated before notifying the Department of Education, Science and Training (DEST). The investigative process is all about ascertaining the facts and investigating suspicions in such a way as to be able to prove to a court of law, beyond reasonable doubt, that an offence has been committed. Alternatively, the process needs to satisfy investigating officers that no offence has been committed. This is consistent with the application of the Criminal Code provisions in other legislation.

**Other Grants Guidelines**

**Chapter 6 Grants to assist with the cost of higher education providers’ superannuation liabilities**

The Committee is seeking advice on the scope of personal information that will be collected by DEST. I can advise you that the only personal information collected by DEST from higher education providers in respect of the Superannuation Program is the same, telephone and fax numbers and e-mail address of the contact person.

**Chapter 9 Grants to foster collaboration and reform in higher education**

As you have pointed out, up to 20 per cent of the annual Collaboration and Structural Reform (CASR) allocation may be provided to projects outside of a competitive funding round. This allocation is at my discretion.

The initial priorities for CASR are detailed at item 2.2.1 of the *Administrative Information for Applicants and Grant Recipients*, which, with *Chapter 9 of the Other Grants Guidelines* and an application form, comprises the program documentation for CASR.

The initial priorities for collaboration are:

a. in course provision between two or more providers;

b. between vocational education and training provider/s and higher education provider/s in course provision or an area related to teaching and learning;

c. between universities and their communities, particularly regional communities; and

d. between universities and business/industry/employers or professional associations.

In line with your suggestion, I will ensure that a link to the application form and administrative information is added to the Guidelines in due course.

**Chapter 11 Grants for activities that (a) assure and enhance the quality of Australia’s higher education sector**

The Committee has asked for clarification about the inclusion of funding amounts in this chapter. The funding amounts for the Graduate Careers Council of Australia (GCCA) and the Australian Universities Quality Agency (AUQA) were not included because there is no requirement under the *Higher Education Support Act 2003* to do so. In particular, subsection 41-15(2)(c) of the Act states that the guidelines may specify “the amount, being part of the amount referred to in section 41-45 for a year, that will be spent on a program in that particular year”. Section 41-45 refers to the maximum payments for other grants. The grant amounts for GCCA and AUQA will be determined by the Minister under paragraph 41-30(b) of the Act.

In the case of the Carrick Institute, the funding amount was included to clarify the Commonwealth’s financial commitment to the Institute, which is a company wholly owned by the Commonwealth and which has no other source of income.

The conditions of funding for the Institute are determined in a Ministerial Determination but this is not made explicit in Chapter 11. An amendment will be made to include this information. The conditions of funding are however outlined in the Explanatory Statement.

**Comments**

To avoid further uncertainty in the content and status of the *Higher Education Support Act 2003* Guidelines in the future, I have asked by Department to ensure that all Explanatory Statements that accompany the Guidelines and amendments to the Guidelines are as informative as possible.
Thank you for bringing these matters to my attention.
Yours sincerely
BRENDAN NELSON
Minister for Education, Science and Training

Amendment No. 1 to the Transitional Arrangements for Students Guidelines
2 December 2004
The Hon Brendan Nelson MP
Minister for Education, Science and Training
Suite M1.24
Parliament House
CANBERRA ACT 2600
Dear Minister
I refer to Amendment No. 1 to the Transitional Arrangements for Students Guidelines that excludes students who commenced their qualifying or preliminary course of study before 1997 from paragraph 2.5.1(b) of the Transitional Arrangements for Students Guidelines.
The commencement date of this instrument is not clear. The Explanatory Statement indicates that the instrument commences from the date of Gazettal. The Instrument was signed by the Minister on 30 August 2004. The actual Guidelines, contained in the attachment to the instrument, were signed by the Minister on 31 August 2004 (above a typed reference to ‘September 2004’). The Committee would therefore appreciate your advice on the commencement date of this instrument.
The Committee would appreciate your advice on this matter as soon as possible, but before 22 January 2005, to enable it to finalise its consideration of this Amendment. Correspondence should be directed to the Chairman, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.
Yours sincerely
Tsebin Tchen
Chairman

Leave of Absence
Senator FERRIS (South Australia) (3.39 p.m.)—by leave—At the request of Senator Harradine, I move:
That leave of absence be granted to Senator Harradine for the period 14 March to 17 March 2005, on account of ill health.
Question agreed to.

Notices
Postponement
The following item of business was postponed:
General business notice of motion no. 80 standing in the name of the Leader of the Australian Democrats (Senator Allison) for today, relating to decriminalisation of abortion, postponed till 15 March 2005.
COMMITTEES

Environment, Communications, Information Technology and the Arts
References Committee

Reference

Senator LUDWIG (Queensland) (3.40 p.m.)—At the request of Senator Conroy, I move:

That the matter of the performance of the Australian telecommunications regulatory regime be referred to the Environment, Communications, Information Technology and the Arts References Committee for inquiry and report by 23 June 2005, with the following terms of reference:

(1) Whether the current telecommunications regulatory regime promotes competition, encourages investment in the sector and protects consumers to the fullest extent practicable, with particular reference to:

(a) whether Part XIB of the Trade Practices Act 1974 deals effectively with instances of the abuse of market power by participants in the Australian telecommunications sector, and, if not, the implications of any inadequacy for participants, consumers and the competitive process;

(b) whether Part XIC of the Trade Practices Act 1974 allows access providers to receive a sufficient return on investment and access seekers to obtain commercially viable access to declared services in practice, and whether there are any flaws in the operation of this regime;

(c) whether there are any structural issues in the Australian telecommunications sector inhibiting the effectiveness of the current regulatory regime;

(d) whether consumer protection safeguards in the current regime provide effective and comprehensive protection for users of services;

(e) whether regulators of the Australian telecommunications sector are currently provided with the powers and resources required in order to perform their role in the regulatory regime;

(f) the impact that the potential privatisation of Telstra would have on the effectiveness of the current regulatory regime;

(g) whether the Universal Service Obligation (USO) is effectively ensuring that all Australians have access to reasonable telecommunications services and, in particular, whether the USO needs to be amended in order to ensure that all Australians receive access to adequate telecommunications services reflective of changes in technology requirements;

(h) whether the current regulatory environment provides participants with adequate certainty to promote investment, most particularly in infrastructure such as optical fibre cable networks;

(i) whether the current regulatory regime promotes the emergence of innovative technologies;

(j) whether it is possible to achieve the objectives of the current regulatory regime in a way that does not require the scale and scope of regulation currently present in the sector; and

(k) whether there are any other changes that could be made to the current regulatory regime in order to better promote competition, encourage investment or protect consumers.

(2) That the committee make recommendations for legislative amendments to rectify any weaknesses in the current regulatory regime identified by the committee’s inquiry.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Private Health Insurance

The DEPUTY PRESIDENT—The President has received a letter from Senator McLucas proposing that a definite matter of
public importance be submitted to the Senate for discussion, namely:

The Howard Government’s failed ‘reforms’ of private health, under which Australians with private health insurance now face an increase of almost 8 per cent on average to their premiums, the fourth consecutive annual premium increase for private health funds, and following rises of, on average, 7.58 per cent in 2004 and 7.4 per cent in 2003.

I call upon those senators who approve of the proposed discussion to rise in their places.

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

The DEPUTY PRESIDENT—I understand that informal arrangements have been made to allocate specific times to each of the speakers in today’s debate. With the concurrence of the Senate, I shall ask the clerks to set the clocks accordingly.

Senator McLUCAS (Queensland) (3.41 p.m.)—This is an extremely important matter, which I am pleased the Senate is allocating some time to. The Australian public have every right to be alarmed at the escalating costs consumers are facing with respect to private health insurance and they have every right to question the Howard government’s failed reforms, which have seen, as we have heard today, massive hikes in premiums along with a growing imbalance in the membership cohorts of private health insurance providers. Less than two weeks ago, on 2 March 2005—the very same day that interest rates rose—the Minister for Health and Ageing, Mr Abbott, announced the fourth consecutive increase to private health insurance premiums. Mr Abbott announced an average increase of 7.96 per cent to private health insurance premiums nationally. Maybe Mr Abbott thought he could hide this latest private health insurance rise while the public were trying to digest the financial impact of an interest rate rise. It has since come light that many people face premium increases far exceeding the 7.96 per cent national average announced by Minister Abbott. A nearly eight per cent price hike is bad enough but, for many people, this premium increase has been significantly more. We have heard today of 17 and 19 per cent increases in premiums.

As a consequence, more pressure is being put on household budgets, particularly with an interest rate increase to cope with as well. I bring to the attention of the Senate what was said by Ms Sharon Bullock, who was reported in the Cairns Post on 5 March as saying that she thinks they will probably manage the $18 per month interest rate hike to their household mortgage. Then she says: I will need to cut out my health insurance.

That is what Ms Bullock is facing. Mr Abbott’s response seems to be to shrug his shoulders and say, ‘What am I meant to do about it?’ This is from a health minister who complained about the bills and paperwork that he himself had to deal with after his hospital treatment recently.

Australians with private health insurance will soon be receiving more than bills and paperwork; they will be getting a letter from their respective funds telling them just how much extra they will have to pay each month. We know that many people took out private health insurance because of the Howard government’s health policies, particularly the Lifetime Health Cover, or ‘run for cover’ initiative. These people are now facing the continuously increasing cost accompanied by increasing gap fees and exclusions.

Private health insurance is now 33 per cent more expensive than in 2001, totally wiping out the government’s 30 per cent private health insurance rebate. Furthermore, in 2004, gap fees increased across the board by 19.2 per cent. Under the Howard government, you end up paying more for your pri-
vate health insurance and getting less out of it when you need to. In 2001, Mr Howard promised that his policies would reduce premiums for private health insurance. Yet, every year, premiums go up. This is another broken promise from the Howard government, and it is the community and consumers that end up paying the price.

Let me mind the Senate that, in 2001, John Howard’s election policy booklet promised that his government’s policies would ‘lead to reduced premiums’. The Prime Minister and the Treasurer promised their policies would create ‘downward pressure’ on premiums and that private health insurance would be more affordable and attractive to consumers. You may recall Minister Wooldridge saying in July 2000:

“We’ve got so many extra people in—that will keep downward pressure on premiums. They won’t go up five to eight per cent a year as they did under Labor.

Since the minister made that laughable prediction then, premiums have risen not by five or eight per cent but by over 30 per cent. The recent increase rubberstamped by the minister for health is the highest premium rise since the Howard government implemented its changes to the industry four years ago. It is now obvious to everyone—especially the many thousands of Australians who, in good faith, took out private health insurance—that those reforms were ineffectual at best.

The Australian Consumers Association summed up the situation best when it said: ‘Everyone is doing well out of this except for consumers.’ The current cost to taxpayers from the government’s 30 per cent rebate exceeds $2.25 billion every year. The Australia Institute argued in a recent paper that the Howard government’s reliance on private health insurance as a public policy tool is ‘delivering a disproportionate benefit to high-income earners and those who reside in high-income households’. The government claimed its policies would increase participation in private health. In particular, there was that initial increase following the ‘run for cover’ campaign, but there has been a marked and ongoing decline in the number of younger Australians with private cover. Again, the Australia Institute states that this compositional change is helping drive up the cost of health insurance premiums due to the substantially higher average cost of claims by older Australians.

If you look at the graph in their document, you can see that, for people aged 30 to 45, there has been a seven to eight per cent decrease in take-up of private health insurance. People in that age group are leaving the industry. Those are families with children. They are the people that we want to be in the private health sector. At the same time—this is the period December 2001 to December 2004—the uptake of people aged 70 to 84 years has been around 18 per cent. There has been inordinate growth in older Australians joining private health insurance at the same time that families are withdrawing.

If you look at the average costs of hospital benefits paid out by private health insurers in the December 2004 quarter—

**Senator Knowles**—How can you come in here and say something that is so untrue? That is so untrue!

**Senator McLUCAS**—I quote from the PHIAC figures, Senator Knowles. The average cost of hospital benefits for the family age group paid out by private health insurers in the December quarter 2004 is around $100. The average cost for older Australians’ hospital benefit starts at $750 and grows for people over 85 to about $850. That questions, in my view, the ongoing sustainability of private health insurance if we continue down this track of families and younger Australians withdrawing and older Australians,
whose draw on the funds will of course be higher, increasing in their membership. Private health subsidies have not reduced pressure on our public hospitals, as the government claimed they would. Statistically, privately insured Australians continue to use public hospitals at the same levels. It is not shifting the burden from the public sector to the private because, when you need acute and high-level surgery, a lot of that is still always going to happen in the public sector.

In 2004, gap fees across the board also increased, as I said earlier, by 19.2 per cent. In addition, the Australian Private Hospitals Association has estimated that out-of-pocket costs for Medibank Private patients in a private hospital not approved by the government-owned insurer will increase by up to $400 per visit under their new competitive selection processes. The potential out-of-pocket costs for privately insured Australians do not end with these changes and the premium increase. Unless the increased fees flow through to those actually providing the health care, private hospitals will have no choice but to raise the patient gap fees. Australians who have chosen private health insurance deserve to get better value for their money. It is clear they are paying more but getting less from their private health insurance funds.

The Howard government will still not take responsibility for the rises in private health insurance premiums. In today’s Financial Review, for example, it is reported that employees of the NIB Health Funds were warned not to blame the Howard government for this latest premium increase. It is reported that an email instructed employees not to say that the government had approved their rate increase when dealing with its members or the general public. They are saying, ‘Don’t say that. When people ring up, don’t blame the government.’

According to Annabel Stafford’s article, NIB has told its employees that, ‘The government is obviously going to be sensitive to this type of suggestion and we are not allowed to say it.’ From the behaviour of senators in this place at the moment, and during question time today, that is absolutely true. There is a level of sensitivity that is being shown from those who sit on the other side. I have to say that is typical of the Howard government’s response to the massive rise in private health insurance. They say: ‘Don’t blame us. It’s not our fault. It’s the consumer’s fault. It’s the rising cost of medical procedures or prostheses. It’s the states’ fault. It’s anyone but us that must take responsibility.’ And now we have one industry player so browbeaten, obviously, telling its staff not to blame the Howard government’s policies for this massive premium hike.

I am afraid to say that the Howard government have got it wrong from day one with this policy. They promised premiums would decrease. They promised that the more people there are in the system, the more pressure would be brought to decrease premiums. That has just not happened. We have seen a 33 per cent increase over the last three years. And this is what Treasurer Peter Costello was saying back in 1998, and they are saying it again today. On 29 November 1998 Mr Costello was interviewed by Glenn Milne on Face to Face. Mr Milne asked Mr Costello to respond to the view that the Labor Party was putting at the time, which was that they were going to give them a 30 per cent rebate but the funds would probably just jack up the premium and absorb the rebate. ‘What can you do,’ he asked the Treasurer ‘to stop the funds from doing that?’ Mr Costello said:

I don’t think that’s the case, Glen, because one of the reasons why premiums keep rising is that membership keeps falling—this is insurance.’

He went on to say:
... one of the best things you can actually do to bring premiums down is to (1) stop the decline in membership and (2) turn it around and put it back up because then you've got more people paying more premiums sharing the risks, and this is a very big part of the private health insurance proposal.

I put it to the Senate that Mr Costello got it wrong in 1998. While there was an increase in membership as a direct result of the 'run for cover' campaign, we are now seeing a decrease in membership, particularly of younger Australians joining private health insurance, while we are seeing a growth in membership of older Australians. As I explained, of course, their call on the funds is much higher than that of younger Australians.

The Liberal election policy in 2001 got it wrong when it said that there would be downward pressure on premiums and that they would not see increases that previously had existed. So Mr Costello got it wrong, the Liberal Party election policy got it wrong and Minister Wooldridge got it wrong when he suggested back in 2000 that there would be no increase. The Prime Minister got it wrong and now Mr Abbott has got it wrong. I am afraid this is a policy that is simply not working. We have seen a 33 per cent increase in three years. It has completely wiped out any benefit that the 30 per cent rebate has provided to health consumers. The real question that should be answered that was not answered today in question time is the question about the ongoing sustainability of the private health insurance industry in this nation.

Senator KNOWLES (Western Australia) (3.56 p.m.)—Today we have heard a very interesting contribution by Senator McLucas, little of which, I have to say, is accurate. But then that comes as no surprise either. One of the most stunning things that I think the Labor Party have a record for in this place is trying to drive down private health insurance membership. Do you know, Mr Deputy President, that none of them admit to having private health insurance, and that is part of the problem, because everyone over there is earning more than $100,000 and they want to clog up the public system. They do not declare their private health insurance status. I think that is atrocious—to think that they want to bleed the public system while trying, in a policy sense, to drive down membership of private health insurance.

Senator McLucas cited an example from someone or other very early on in her contribution, saying that more pressure is being placed on household budgets because of the increases and because of interest rate increases. Isn't it amazing? As Senator Patterson said in question time, Senator McLucas has not been here all that long, but some of us have and some of us have memories. I wonder if Senator McLucas remembers 1991-92, when the average increase in private health insurance—not the highest increase, but the average increase, which means, of course, that there are lots higher to get an average increase—was 17 per cent. Guess what? Interest rates were exactly the same.

So do not come in here lecturing this government about interest rates and levels of PHI increase because the average increase under the Labor government was 11 per cent. They had a system where the private health insurance companies could just say, 'Think we might increase the premiums today.' There was no control, there was no vetting system and they did not have to prove, in any way, shape or form, to the government, that it had to be increased. But the Labor Party just lived with it and said, 'Who cares?' They drove down private health insurance from around 70 per cent to around 30 per cent in 11 short years—it was 11 long years if you were in opposition, let me tell you. That is
their record, and they come in here and talk about the fact that more pressure is being placed on household budgets. How hypocritical is that, when they only tell half the story?

The other half of the story is what the real rates of increase are. I want to give the Senate some examples, because listening to senators opposite you would think that the real rates of increase are going to absolutely blow people clean out of the water. From the Hospital Benefits Fund in Western Australia, one of the largest funds in Australia, rate increase examples are as follows: for young single savers, an extra 40c per week; single intermediate hospital with $100 excess is an extra 65c per week; intermediate hospital family cover with $100 excess is an extra $1.25 per week; single top hospital with $100 excess is an extra 75c per week; and family top hospital with $100 excess is an extra $1.45 a week. And the Labor Party come in here and say: 'This is outrageous! It’s absolutely and utterly outrageous!'

But what Labor also do not take into account is that those increases are even less for people over 65 and over 70, because those people over 65 and over 70 get a rebate of 35 per cent and 40 per cent respectively. They get a larger rebate, which the Labor Party want to abolish altogether. So elect the Labor Party as a government and you will have no 30 per cent rebate, the over-65s will not have a 35 per cent rebate and the over-70s will not have a 40 per cent rebate. Labor will have none of that, because their interest, as we can see from this debate today, is to drive down private health insurance membership. As I say, increases under Labor were simply a flick of the pen. There was no approval process in place at all—they did not see a need to have it.

The other interesting thing that Senator McLucas said was that there is a reduction in the number of younger people. I could not help myself—I had to interject and say that that is absolutely wrong. But she did not correct it. She simply went ahead and told the story the way she wanted to tell it. The fact of the matter is that the review of Lifetime Health Cover, for example, shows that coverage of people aged 30 to 39 years is now 12.7 per cent higher than it was when Lifetime Health Cover was introduced—so do not come in here and say that it is less—and the coverage of people aged between 40 and 54 years is now 14 per cent higher. The very age brackets that Senator McLucas said were lower are not lower; they are higher.

Senator Marshall—Is it going down?

Senator KNOWLES—And here we go, saying, ‘Is it going down?’ The fact of the matter, Senator Marshall, is that private health insurance uptake is considerably higher than when the Labor government was in office, and it will continue to stay higher than it was. The fact of the matter is that Senator McLucas came in here and tried to convey that the number of young people with health insurance was lower than it used to be, and it is not. And here we go: Senator Marshall will no doubt try and swing the lid again to try and convince people that it is lower.

The other fact of the matter is that people are voting with their feet: 56 per cent of hospital episodes are done in the private sector. And Senator McLucas said, ‘It is not taking the weight off the public hospital system.’ Well, put all those people back into the public hospital system and see what weight it has taken off! Look at the number of hip replacements! Look at the number of cardiothoracic procedures! Just have a look at the whole range of procedures that are done in private hospitals. Take them out of private hospitals and stick them back into the public
hospital system and see what it does to the public hospital system!

The public hospital system was groaning at the knees—and the ankles, the hips and everywhere else—when Labor left government. We have brought it back up so that private hospital insurance is affordable again. And what do the Labor Party want to do? They want to drive it back down again, and they are part of the problem. People earning over $100,000 a year on that side of this house choose to clog up the public hospital system by not taking out private hospital insurance. That is a disgrace, because they then take the place of a person who is on a low income and a very long waiting list. They may well say, ‘I’ll self-insure.’ Let’s see whether they do. There are some notable members of the Labor Party who have been hospitalised in recent times. Did they go to a private hospital? No. They went to a public hospital—at the expense of low-income earners, I might add—and they should be ashamed of themselves.

Let us not forget in this debate that the average rate of increase in private health insurance premiums under Labor was 11 per cent. Let us also not forget—and come in here with this cry of ‘woe is me’—that they have a record, from 1991-92, of a 17 per cent increase in private health insurance premiums and interest rates of 17 per cent. I would be ashamed if I had been a member of that government. Fortunately I was not, but I would be equally ashamed if I had been a member of that government and now, in opposition, I was coming in here and trying to chastise a government that has provided the incentives for people to take out private health insurance. (Time expired)

Senator ALLISON (Victoria—Leader of the Australian Democrats) (4.06 p.m.)—I am one of those people who Senator Knowles thinks should be ashamed of the fact that they do not have private health insurance. I do not have it, not because I cannot afford it but because I think it is important for everyone to support the public system. The problem with Senator Knowles’s approach is that public equals poor in her mind, so the public system is to be left for those people who cannot afford any other kind of health care. I take exception to that. That is a shameful approach in my view.

The problem is that we get a two-tiered approach. It is not universal at all when you start saying, ‘Public hospitals are for the poor and anyone who can afford it ought to go where they can shell out money to do so. They should go to the expensive system. They should go to the system that charges two and three times as much for the same procedure as you get in a public hospital. They should go where there are private rooms and where you can get on the waiting list a bit quicker than those people who have to queue up in the public hospital system.’ If a fraction of the money that is spent not just through the rebate but through the tax concessions that are provided to people who sign up for private health insurance was spent on reducing waiting lists, we would not have the problem that we currently do.

The most significant feature of the coalition’s health policy since they came into office some nine years ago has been their approach to private health insurance—the most expensive but least effective sector of health in this country. The 30 per cent private health insurance rebate and the Lifetime Health Cover policy reforms were introduced by the government to subsidise the private health care industry. In last year’s election campaign more money was thrown at the private health insurance rebate, despite growing evidence that it is inequitable and that it has made health no less expensive or more affordable. The 30 per cent rebate now costs more than $2.5 billion every year. That is
because the rebate is calculated on the annual

cost of premiums. As a result, the cost to the

taxpayer continues to increase with every

premium hike.

The big problem with private health is the

lack of price controls. As a result, private

health insurance premiums and the cost of

the rebate are increasing at two and three
times the rate of the CPI. Following minimal

price increases in the first couple of years

after the introduction of the rebate, private

health insurance fees have taken off with a

bang over the last four years. There is no

sign that there will be any diminishing of

that increase. They have risen at an average

of around seven per cent in each of the past

years—6.9 per cent in 2002, 7.4 per cent in

2003, 7.82 per cent in 2004 and 7.96 per cent

in 2005. That is an increase in premiums of

30 per cent since 2001, which is roughly

equivalent to the rebate.

There is no evidence to suggest that these

increases in premiums and the growing cost

of the rebate to the taxpayer will not con-
tinue. The OECD paper in 2004 examining

private health insurance in Australia reported

that private funds ‘do not exercise control

over the quantity, quality and appropriate-

ness of care provided’. The paper also found:

... there are limited constraints on expenditure
growth.

The recent report by the Private Health In-
surance Ombudsman into the state of health
funds found:

Most contributors appear to be resigned to some

annual increase in premiums and have probably
come to expect rises of between 5 and 9 percent.

The government’s rebate is therefore taking

money that could be used to provide public

health services that all Australians would

benefit from and giving that money to the

private health industry and primarily to well-

off individuals and families. That is what the

government has opted for. While figures on

31 December 2004 indicate that 43 per cent

of the Australian population have private

health insurance, there is lots of evidence to

show that those on higher incomes are the

most likely to have private health insurance

and to benefit from the 30 per cent rebate. A

recent paper by the Australia Institute found

that fewer than one in four Australian fami-

lies with incomes below $25,000 have pri-

vate health insurance while more than two-

thirds, or 69 per cent, of families with in-

comes over $100,000 have private health

insurance—something that Senator Knowles

advocates.

Not only are these people more likely to

have private health insurance; they can also

afford the more expensive forms of health

insurance and therefore receive a larger re-
bate. The paper also found that only 13 per

cent of young single parents have private

health insurance and 20 per cent of young

low-income couples with children have pri-

vate health insurance. That is quite a stark

contrast to the 48 per cent of young couples

with children earning more than $40,000 a

year who have private health insurance. This

rate is more than double that of those on

lower incomes. Rates are even higher for

older couples with children who earn more

than $40,000—65 per cent have private

health insurance.

So not only are the wealthy receiving the

biggest direct benefits from subsidies to the

private health insurance industry; those who

rely on the public system are being doubly

disadvantaged through the redirection of re-

sources from the public to the private sys-

tem, which results from an injection of funds

into the private system. As there are real con-

straints on the resources in the health care

sector—a limited number of doctors, nurses,
specialists and beds—in order to provide

these services to those with private health

insurance, resources must be redirected from

the public system. We know that this is abso-
lute the case when it comes to doctors. This transfer of resources from the public to the private sector does not relieve pressure on the public sector but rather exacerbates it. Ultimately, it also increases the costs of hospital and medical services to the whole community through the greater competition for limited resources. So we end up with an inflationary effect on health costs across the public and private sectors.

The OECD paper that I referred to found that the 30 per cent rebate had posed pressures on public costs by utilising tax revenue that could otherwise have been used to meet health needs. Directing resources to the private sector also directs resources not to those with the greatest need but to those who have the money to buy services. The principal reason that people take out private health insurance is because they fear that public services will not be available to them. (Time expired)

Senator MARSHALL (Victoria) (4.13 p.m.)—I support the matter of public importance which has been raised in the Senate today by my colleague Senator McLucas. Before I begin my contribution, let me turn to some of the comments made by Senator Knowles, who seemed to want to argue in this place that the health insurance premium increases that we have just experienced somehow do not put pressure on the family budget. Senator Knowles then quoted some figures from a Western Australian fund in weekly terms as a matter of cents in order to deliberately trivialise the amount of the increase. I want the indulgence of the Senate for a minute to put these increases into perspective.

Let us look at one of the major funds, Medibank Private, and the actual increases in its Smart Choice Hospital and Extras cover. In the ACT there is an increase of $153.75 per year for that cover. In New South Wales it is also $153.75. In Victoria there is an increase of $256.20 per year; in Western Australia it is $167.15; in South Australia it is $131.85; in the Northern Territory it is $102.45; in Tasmania it is $201.65; and in Queensland it is $142. They are significant increases for any household budget to have to find if that household has private health insurance.

Senator Knowles should remember that in 2001 Mr Howard promised that these policies—the Howard government’s policies—would reduce premiums for private health insurance. Yet every year premiums go up. This is simply another broken promise, as Senator Knowles should well know. Let me remind the Senate and Senator Knowles that, in 2001, John Howard’s election policy booklet, called Heading in the right direction, promised that his government’s policies would ‘lead to reduced premiums’. Senator Knowles must have forgotten that the Prime Minister and the Treasurer promised their policies would ‘make private health insurance more affordable and attractive to consumers’.

Senator Knowles may recall the former health minister Michael Wooldridge saying—and she indicated to the Senate that she had been around a long time and I am sure she does remember this—in July 2000: We’ve got so many extra people in that we’ll keep real downward pressure on premiums. They won’t go up 5 to 8 per cent a year as they did under Labor.

Since the minister made that laughable prediction, premiums have risen by well over 30 per cent. Senator Knowles wants to take no responsibility for the last nine years of this government and wants to hark back to previous governments, but the reality is that premiums have gone up recently by over 30 per cent and they have clearly eaten up the pri-
vate health insurance rebate. This policy of the coalition costs the Australian taxpayer $2.25 billion a year, and the government want to keep saying that somehow it is working. Clearly it is not working and it is putting more and more pressure on private health insurance.

On the morning of Thursday, 3 March this year, millions of Australians woke up, made their way to their kitchen tables and opened up their morning newspapers to be hit with a barrage of bad news and shocking headlines. On the front page of the *Courier-Mail*, people read, ‘Double blow for families: interest rate cranked up, health insurance costs soar’. In the *Herald Sun*, they read, ‘King hit: up—interest rates by $33 a month; up—private health insurance by 8%’ and ‘Private health fund rises hurt: premiums soar out of reach’. That is what is happening in our community today. In the *Daily Telegraph* they read, ‘Double trouble: families feel pinch as home loan rates, health premiums rise’. If they turned to the editorial, they would have been met with, ‘Unhealthy increase’. In the good old reliable *West Australian*, forever the apologist for this coalition government, people read, ‘Health cover up but is good value: Abbott’. But in the *Australian* people read, ‘Families hit by $200 health premium hike’, and in the *Age*, ‘Double slug as economic boom falters’. The Adelaide *Advertiser’s* headline read, ‘Double hit: rates, health insurance rise’.

Wednesday, 2 March, was a disastrous day for Australians in private health insurance. On top of the one-quarter of a per cent interest rate rise announced by the Reserve Bank earlier in the day, the Minister for Health and Ageing, Tony Abbott, thought he would hide behind Treasurer Costello’s bad news and secretly announce, only 5½ hours later, his own slugging of Australians—this time through their private health insurance premiums, by an average of eight per cent. Regardless of what Senator Knowles might like us to believe, that is the average across the board—an eight per cent increase.

As Nicola Ballenden, the health spokesman for the Australian Consumers Association, was noted as saying in the *Herald Sun* on 3 March:

> Clearly, they are hoping that people won’t notice.

Well, I think Australians with private health insurance are certainly going to notice the big hand of Tony Abbott reaching into their wallets for a further eight per cent on top of their premiums—the highest rise since the private health insurance rebate, the $2.25 billion rebate, was introduced.

I think Australians are going to notice that this announcement marks the fourth consecutive rise in health insurance premiums in four years. I think Australians are going to notice that over the past four years—the four years since the Howard Government claimed it had reformed private health insurance to make it more affordable—their premiums have risen by an average of 33 per cent. I think privately insured Australians have noticed the 19.2 per cent increase in the gap expenses they are forking out to doctors. And I think Australians will have worked out that the 30 per cent private health insurance rebate has now been well and truly eaten away by the 33 per cent increase in premium costs over the life of the rebate.

Mr Abbott recently described himself as feeling like a constitutional monarch—that is, powerless when it comes to dealing with the real health issues in our society. Well, Minister, here was a chance for you to get your hands dirty and come up with a real fix for the private health insurance industry. But what happened instead? The minister chose to sit back, tick off on yet another of the private health insurance industry’s requests to increase premiums and demand that people shut up and take it on the chin.
According to the front page story of the *Age* on 3 March this year:

Health Minister Tony Abbott said he had reluctantly approved rises in health insurance premiums to ensure health funds stayed afloat. “The job of government is sometimes to face up to difficult news. Government’s job is not to pretend that you can have everything for free all the time,” he said.

For free? Try telling Australian families with private health insurance who have been slugged with 33 per cent rises in the cost of their premiums over the past four years that they should shut up, stop expecting everything to come their way for free and start paying. Australians are already paying and they are paying 33 per cent more than they were when the private health insurance rebate was introduced. Try telling that to a family in Victoria with Medibank Private’s Smart Choice Hospital and Extras cover who will be required to fork out an extra $260 this year on top of the $2,180.60 they had to find last year.

Millions of Australian families have been paying through the nose for their private health insurance under the minister’s stewardship for years now and they are getting even less for their money than they used to. Last year, private health insurers received on average a 7.58 per cent increase in premiums; however, private hospitals claim that the deals done with them were at best two per cent better than the old deals and at worst minus 10 per cent worse than the old deals.

There seems to be something patently wrong with the current system when year after year Minister Abbott turns around to people with private health insurance and says, ‘Pay more,’ when private hospitals end up getting squeezed more and when people are offered less when they use their private health insurance. Just last month, the Australian Private Hospitals Association estimated that out-of-pocket costs for patients in private hospitals not approved by Medibank Private will increase by up to $400 a day under their new competitive selection process. Gone from this type of cover is choice of hospital—enter rising costs. Australians in private health insurance are paying more and getting less under this government. *(Time expired)*

**Senator BARNETT** (Tasmania) *(4.22 p.m.)*—It is a pleasure to rise to speak in this debate this afternoon with regard to the importance of the private health insurance rebate and the process that the government has in place to ensure a minimum cost increase. Under Labor the increases for private health insurance were in the order of 10 to 11 per cent on average. Under the Howard stewardship of the Australian government, we now have an independent objective assessment that is put in place to ensure that the premium increase is kept at a minimum.

I wanted to advise the Senate and the members opposite in particular that it is the government through the Private Health Insurance Administration Council and the Department of Health and Ageing that scrutinises those applications for increases that are made, and they are scrutinised very carefully. Just recently the Australian Government Actuary was given advice to provide a second opinion to ensure that the increase is kept at a minimum.

I wanted to make one point about the increase and where the money goes. Do you think it goes into a big black hole, into the pockets of just the private health insurers? Based on the Labor Party senators’ arguments, perhaps you would think so. Let me tell you where the money goes: premiums are rising because the funds are paying out more in benefits to members. The statistics and the evidence has shown that over the years—that is a fact.

What are some of the reasons for increased costs? Obviously we have the rising
wages of the relevant people in the public service and the private sector—for example, nurses and the other health professionals. The increase in technology costs—for example, the increased costs in the use of prostheses—are relevant. I have a vested interest in and know a little bit about prostheses, and those costs have increased markedly. That takes care of the ALP argument that there is some way that we are forcing this on families or that this is being done without due concern. It is being done with careful consideration and great cautiousness in the best interests of families.

Senator Allison made a comment earlier to the effect that she does not have private health insurance and that she supports the public hospital system. Goodness me! The whole point is that we want a balance in this country between public and private. We want a balance where we get the mix just about right. If you can afford it then you should have private health insurance. That is why the government has a 30 per cent private health insurance rebate—to encourage people to have private health insurance. That is the whole point. We have the balance right now and it is improving, with 44 per cent of the Australian population, or about nine million Australians, now with private health insurance. If you include ancillary cover then that number gets up towards 50 per cent, or 9.9 million Australians.

We need to try and take the pressure off the public hospital system, and that is what is happening with the investment in private health insurance, which has been accurately reported during the debate at about $2.25 billion a year. Bill Glasson, the President of the AMA, 18 months ago was reported as saying:

The only reason the public hospitals are surviving to any extent that they are at the moment is because of the 30% private health insurance rebate. That is from a man with a background in health and an interest in health and the consumer, the patient. He is saying that we are getting the balance right. Do know what would happen if we did not have the private health insurance rebate? I can see Senator Nettle getting a little bit irked on the other side, ready to make her contribution, and we look forward to that. But of course the Greens do not support the private health insurance rebate at all; they would prefer to have it abolished. We know that the secret policy of the Labor Party is to remove it altogether. What would happen if that rebate was removed? It would increase for those people who have the private health insurance rebate by 43 per cent. The benefit is about $750 per year for those people with the 30 per cent rebate. It flows through to all those people.

There is a misconception in the community, particularly from the other side. The Labor Party is saying that this is merely a sop for the rich. That is not demonstrated by the facts or the evidence. Let us have a look at the benefits for those in a lower socio-economic group in Australia. Let us have a look at the one million Australians who are earning $20,000 or less who have the private health insurance rebate. Isn’t that amazing? It is a tremendous credit to those Australians that they believe that there are benefits for them in maintaining and holding on to that rebate. That is fantastic. That kills off the Labor Party’s accusations and allegations that it is only a sop for the rich—that is absolute nonsense.

I am thrilled about, and thankful for, the benefits for older Australians, as are other senators on this side of the chamber. The benefits will flow from 1 April this year. For those aged 65 to 70 the rebate will go from 30 to 35 per cent. Those aged 70 and over will have a 40 per cent rebate. That is fantastic. That shows that we care. It demonstrates
that we are looking after older Australians. They deserve it. That was recognised in the report of the Senate Select Committee on Medicare. Senator Knowles, Senator Gary Humphries and I recommended that there be a special increase in the rebate for older Australians. That recommendation has been taken up. It was a policy position at the election on 9 October. And guess what: the Australian people decided. They threw down the mandate to the Howard government and said: ‘Please, Mr Howard and Mr Abbott, maintain and retain with all your might this 30 per cent rebate. Implement this policy to look after older Australians.’ Do you know what? We are delivering these benefits for older Australians and we will not be put off by accusations or allegations from the other side that this is a sop for the rich or just for some others. It is going to benefit older Australians—it will benefit all Australians—because we have got the balance right between the public hospital system and support for the private hospital system. It is a good mix. (Time expired)

Senator NETTLE (New South Wales) (4.32 p.m.)—There is no question that the Howard government’s private health insurance policy is a failure. The motion today criticises one component of it: the large rises in private health insurance premiums, well in excess of the consumer price index. The private health insurance industry association says that the rises are being driven by rising costs and demand for new technological interventions, as does Senator Barnett, who has just spoken. The government wants people to retain their private health insurance and it penalises people who do not. When it introduced its private health insurance rebate policy in 1999 the government said that its rebate would take the pressure off premium increases. That has not happened. It also said that the rebate would take the pressure off public hospitals. That has not happened either.

Younger people are abandoning their private health insurance while older people are signing up, which further skews the age profile and has implications for the long-term viability of the industry, which receives, let us remember, $3 billion of public money every year. After four consecutive years of hefty premium increases it is time for the government to accept what most health economists in this country have been saying for years: the private health insurance industry is a black hole. Pouring more scarce health resources into the private health insurance industry is socially and economically irresponsible. With health insurance premiums continuing to rise at this rate, private health insurance becomes even more the domain of the wealthy.

Senator Barnett obviously has not read the research by Richard Denniss of the Australia Institute which was reported in a paper that was released this month. It shows that almost seven in 10 people with incomes over $100,000 per annum have private health insurance whilst only one in four people earning less than $25,000 have private health insurance. The 30 per cent rebate is an enormous transfer of public funds to the well-off. But it is people on low incomes that are suffering the most from ill health. As long as the government funnels more public money into propping up the private health insurance industry it will deprive society of the funds that are desperately needed for essential public health and medical services. The current policy of trying to expand the private health sector and leave a residual public sector as a safety net is unsustainable. Australian National University academic Dr Gwen Gray, in her book entitled The Politics of Medicare, states:

... the health system, as reshaped by the Howard government, cannot work. The combination of
Medicare and a large private sector is a highly unstable arrangement which cannot survive. Eventually, the Commonwealth will be forced either to spend even more tax money to subsidise private insurance or to abolish Medicare altogether.

(Time expired)

Senator HUMPHRIES (Australian Capital Territory) (4.35 p.m.)—The underlying, inherent dishonesty in this motion which has been moved today by the Australian Labor Party is the implication that the Australian Labor Party has some kind of answer to this problem. Nobody on this side of the chamber and certainly not the Minister for Health and Ageing or anybody in the private health insurance industry likes to see increases in private health insurance premiums. They are regrettable because they inevitably cause some people to decide not to continue with or not to take up private health insurance. But a fact of life is that the increase in the cost of health in this country and in every other country in the world is greater than the increase which is occurring in the cost of general services or goods that the consumer consumes; that is, medical inflation is significantly higher than general inflation.

Between 2000 and 2004, for example, the cost of medical services and goods in this country rose by 22.8 per cent. That is more than double the rate of inflation for general goods and services consumed by the Australian community. It is that rising cost of health services which has driven the increases in the cost of general services or goods that the consumer consumes; that is, medical inflation is significantly higher than general inflation.

The amount that the community has spent on the Pharmaceutical Benefits Scheme has risen enormously in the last few years. In the last nine years, for example, the cost of the PBS has risen from around $2.6 billion to $6.2 billion; that is almost double in real terms. The cost of health care for older Australians has risen commensurately as well. Those opposite are in no position to complain about rises in health insurance premiums unless they can provide an alternative—and they cannot. Labor’s position is extremely unclear. If it has some alternative system of price setting for premiums, first of all, we have not heard what it is and, secondly, it would fly in the face of what happened each and every year when Labor was last in office—that is, average increases in private health insurance premiums were in the order of 10 or 11 per cent; sometimes they were as high as 17 per cent in a single year.

The second point is that we know very clearly the Labor Party do not like the one major policy setting that this government has put in place to make health insurance more affordable for Australians, and that is the 30 per cent private health insurance rebate. We know they intensely dislike that particular policy device; we also know it is only because they are too timorous that they are not prepared to go to the Australian community and say that in as many words and promise to abolish it. We know they are extremely reluctant to keep that measure in place. But the fact is that it makes private health insurance affordable to many millions of Australians—the almost nine million Australians who have private health insurance in this country.
Senator Allison and then Senator Nettle commented on this being a device for subsidising the costs of the rich. Of course, the rich are in a position of being able to contribute to the health care costs they incur, and the government’s Medicare levy is designed to encourage them to do that. But the important point here is that over one million Australians on an income of less than $20,000 have made the decision also to contribute to the cost of their health care by taking out private health insurance cover. The measures we are talking about here—measures we have put in place as a government to make health insurance more affordable—benefit them too; they benefit them directly and, importantly, they ensure that the cost of the health system of this country is shared on an equitable basis. Quite frankly, it is shameful that people like Senator Allison say proudly that they do not have private health cover when I think, to be perfectly honest, that is a responsibility of those on higher incomes. I wonder how many on the Labor benches of this place have private health insurance.

Senator O’Brien—So it’s not freedom of choice.

Senator HUMPHRIES—You do have a choice, Senator. You can make a decision. It is not compulsory.

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—Senator Humphries, you should ignore the interjections and address your comments through the chair.

Senator HUMPHRIES—I shall attempt to.

The ACTING DEPUTY PRESIDENT—And you should desist from interjecting across the table, Senator Evans.

Senator HUMPHRIES—People have that choice and it is a matter of good policy that people make the decision to take out insurance. If premiums do not rise, the cost will fall back on the general population of Australia. As taxpayers, we will meet more of that cost.

Those opposite, as I have said, would like to see the private health insurance rebate abolished. They will not say so in as many words, but we know that is what they want. What they do not properly advert to when they secretly countenance that policy is that, if it were abolished, not only would you see a drop in private health insurance but you would also see a huge shift in cost from the private hospital system to the public hospital system. The savings made by abolishing the rebate would more than be eaten up by the extra payments that would have to be made to the states and territories to maintain a hospital system that would creak and groan, if not collapse, under those higher costs.

The ACTING DEPUTY PRESIDENT—Order! The time for consideration of the matter of public importance has expired.

PERSONAL EXPLANATIONS

Senator KNOWLES (Western Australia) (4.42 p.m.)—I seek leave to make a personal explanation, as I claim to have been misrepresented.

Leave granted.

Senator KNOWLES—In the debate that has just been held in this chamber, Senator Allison claimed that I said the public hospital system was only for the poor and that somehow private health insurance should be for the wealthy. I claimed nothing of the sort. The public hospital system should be for all, and that is what I said. As Senator Humphries has just mentioned, over one million people who earn less than $20,000 take out private health insurance. That is what I said during the debate and that is what I wanted to clarify. Senator Allison completely and utterly misrepresented my contribution.
COMMITTEES
Economics Legislation Committee
Meeting

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (4.43 p.m.)—by leave—At the request of the Chair of the Economics Legislation Committee, Senator Brandis, I move:

That the Economics Legislation Committee be authorised to hold a public meeting during the sitting of the Senate today, from 5 p.m., to take evidence for the committee’s inquiry into the provisions of the Trade Practices Legislation Amendment Bill (No. 1) 2005.

Question agreed to.

PARLIAMENTARY ZONE
Proposal for Works

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—In accordance with the provisions of the Parliament Act 1974, I present a proposal by the Department of Parliamentary Services, together with supporting documentation, to approve an extension of time for the temporary vehicle barriers to 30 June 2005.

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (4.44 p.m.)—by leave—I give notice that, on the next day of sitting, I shall move:

That, in accordance with section 5 of the Parliament Act 1974, the Senate approves the proposal by the Department of Parliamentary Services to extend the time for the temporary vehicle barriers to 30 June 2005.

BUDGET
Consideration by Legislation Committees Report

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (4.45 p.m.)—On behalf of the Chair of the Environment, Communications, Information Technology and the Arts Legislation Committee, Senator Eggleston, I present a report in respect of the 2004-05 additional estimates, together with the Hansard record of the committee’s proceedings.

Ordered that the report be printed.

Consideration by Legislation Committees Report

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (4.45 p.m.)—On behalf of the chair of the Foreign Affairs, Defence and Trade Legislation Committee, Senator Sandy Macdonald, I present a report in respect of the 2004-05 additional estimates, together with the Hansard record of the committee’s proceedings.

Ordered that the report be printed.

Senator CHRIS EVANS (Western Australia—Leader of the Opposition in the Senate) (4.46 p.m.)—by leave—I move:

That the Senate take note of the report.

I want to refer today to the matters outlined in the reservation moved by the opposition to items 4 and 5 of the Senate Foreign Affairs, Defence and Trade Legislation Committee’s estimates report. I do so because I think it is a very important matter. The opposition wants to register in the strongest possible terms its concern about the arrogant disregard for the role and traditions of this chamber displayed by the Leader of the Government in the Senate, Senator Hill, when, in his capacity as the Minister representing the Minister for Foreign Affairs, he was before the committee on 17 February.

Senator Hill’s response to committee requests for routine information is a worrying sign of the arrogant disregard for the role and traditions of this chamber that will occur when the government gains a Senate majority in July this year. For the past 35 years or
so, the Australian people have come to expect the Senate, through its committees and estimates processes, to scrutinise the actions of the executive government and Commonwealth departments and agencies. The Senate has developed standing orders and procedures to allow it to meet that public expectation of providing openness and accountability. However, on 17 February I think Senator Hill showed a high-handed disdain for those orders and procedures and for the Australian people’s expectation of openness and accountability in government.

On that day, opposition senators were questioning officers of the Department of Foreign Affairs and Trade regarding the department’s knowledge of certain matters relating to the claims made by one of the members of the Iraq Survey Group, Mr Rod Barton, on the ABC’s Four Corners program. These claims and related issues go to whether or not Australians were present at the interrogation of witnesses and whether or not there was political interference in the reporting of the Iraq Survey Group. Earlier it had been revealed that there had been communication between the Department of Defence and the embassy of the United States but that that communication had not been revealed to the Department of Foreign Affairs and Trade. The failure to communicate that information was of concern, given the fact that managing the bilateral relationship with the United States is part of DFAT’s core business. DFAT’s deputy secretary, Mr Doug Chester, that morning acknowledged that such an omission was highly unusual. He said:

With correspondence like that, we would expect to be notified. The fact is that it appears that we were not.

To recap, the committee was questioning officials on issues regarding the government’s handling of Australia’s affairs in Iraq and the administrative relationship between two of our most important departments—the Department of Defence and the department of foreign affairs. During the course of this examination, a DFAT official pointed out that in the previous week he had spoken to someone in the foreign minister’s office about the Barton allegations and Defence’s response to them. Senator Hill was unhappy with this line of questioning and attempted to have the chair put an end to it. At this point, the proceedings of the committee descended into high farce, with the chair first claiming that the matter was commercial-in-confidence, then correcting himself and claiming it was ‘just confidential’. The next pronouncement from the chair was equally unexplainable. He said:

Well, it is cabinet in confidence—I do not know.

After lunch we had another go and revisited the matter. By this stage the official, looking a little nervous, was unwilling to confirm what form that communication with the minister’s office had taken. The witness would only confirm that advice was provided to the minister’s office. He would not say what form the advice took. Let me make it clear. Committee members were not asking the official to reveal the content of the advice to the minister or his office. We made that clear at the time. We were simply seeking the form of communication. Had he made a telephone call or sent an email? What form of communication had been used? At this stage, Senator Hill weighed into the debate and insisted that the official did not have to answer questions on the matter. Senator Hill said to the committee:

The witness feels uncomfortable about communicating the form of advice that he gave.

The minister asserted that the official should not have to answer the committee’s questions as he did not feel comfortable with the questions. Clearly, the minister was now arguing it was a question of the witness’s comfort.
levels. As the minister well knows, the comfort level of a witness is not a matter dealt with under the orders which govern the business of the Senate. To begin with, the matters the committee was dealing with were within its remit of investigation. According to procedural order 42:

The Senate reaffirms the principle, stated previously in resolutions of 9 December 1971, 23 October 1974, 18 September 1980, 4 June 1984 and 29 May 1997, that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the Parliament or its committees unless the Parliament has expressly provided otherwise ...

Secondly, the questions put to the witness were allowable. Odgers’ 11th edition states:

The Senate endorsed on 22 November 1999 the views of the Procedure Committee on the relevance of questions at estimates hearings.

... ... ...

As the estimates represent departments’ and agencies’ claims on the Commonwealth for funds, any questions going to the operations or financial positions of the departments and agencies which shape those claims are relevant.

Thirdly, it is not for the minister to determine any matter of privilege before a committee of the Senate, and I quote procedural order 25(4):

Upon a claim of privilege based on an established ground being made to any question or to the production of any documents, the Senate shall consider and determine each such claim.

Finally, there were no grounds for a claim of commercial confidence and the correct process for that exercise of privilege had not been followed, and I quote from procedural order 7:

The Senate and Senate committees shall not entertain any claim to withhold information from the Senate or a committee on the grounds that it is commercial-in-confidence, unless the claim is made by a minister and is accompanied by a statement setting out the basis for the claim, including a statement of any commercial harm that may result from the disclosure of the information.

So there were clearly no grounds under the Senate’s orders for the minister to keep information from a committee in this way.

It is a very serious concern. We still do not know what the minister was trying to hide. Clearly, he was embarrassed by the failure to inform the Department of Foreign Affairs and Trade and the Minister for Foreign Affairs about this most important issue. But that is not my point today. What is of major concern to me is the minister’s clear disregard for the conventions of the Senate. The minister, Senator Hill, is the Leader of the Government in the Senate, and he showed an arrogant contempt for the processes that this chamber has developed for ensuring accountability in government. He provides the leadership for the government in this chamber, and it is a very concerning development that he should take this arrogant approach and show disregard for the established processes of the Senate.

We do not even have the situation yet where the government has a majority in the Senate but already we are seeing signs of arrogance and disregard for established processes that will be of concern to many Australians. Senator Hill has shown us that the government intends not to answer to the Senate in terms of its role as a house of review through the accountability processes of the committee system. He has shown us that he will not entertain questions he finds uncomfortable or that he thinks a witness finds uncomfortable—whatever that means. He has shown a disregard for the rules of the chamber and its role in providing accountability to the Australian people.

Labor will not tolerate that attack on our role or on the institution of the Senate. We will take every opportunity to protect the
conventions and functions of the Senate as the house that provides accountability in government. We will speak out at every attack on those procedures and powers that senators of good faith have built up in this chamber.

I urge Liberal senators, and coalition senators generally, to think carefully about whether going down this path is a good idea in the long term. One of the disciplines Labor always try to apply in opposition is the discipline of being the alternative government. We think about how would we view this if we were on the other side of the chamber. I urge the government and some of its senators to think carefully about whether arrogant disregard for Senate practice and collusion in preventing Senate committees from getting information to which they are entitled are in the long-term interests of this Senate and democracy in Australia more generally. We on this side will continue to call to account a government which is increasingly showing signs of contempt for the trust placed in it by the Australian people. We will not see the power of the Senate to hold the government accountable undermined.

Senator Faulkner (New South Wales) (4.55 p.m.)—I too wish to speak about the extraordinary and unprecedented situation that was faced in the Senate Foreign Affairs, Defence and Trade Legislation Committee’s estimates hearing just a couple of weeks ago. As Senator Evans has said, what we face here is a very important issue of principle that has been established in this chamber and in Senate committees for a very long period of time—the well-established principle that departmental officers cannot pick and choose which questions they are going to answer and which questions they are not going to answer. That is what is at stake here.

We in the opposition argue, and I think argue very persuasively, that the accountability of the government to the parliament is a crucial part of the checks and balances of our system of democracy. Is there anything more important? Senate estimates committees play a very important role in that accountability. I happen to think that the Senate estimates committee system is the best accountability mechanism that this parliament has. Only the most significant of reasons can justify denying a Senate committee information. The only reason not to answer a question is that it is against the public interest for that information to put into the public domain.

What was the excuse given in this case for a departmental officer to not answer a question asked of him? What was the reason for refusing to answer the question? I will quote directly from the Senate estimates Hansard. Senator Hill said:

The witness feels uncomfortable about communicating the form of advice that he gave.

I asked:

Why would that be?

Senator Hill said:

I am not sure why, but if he feels uncomfortable—

Then Senator Hill went on to say:

If he feels uncomfortable in doing that then I do not think he should at the moment disclose any further.

That is a new reason. It is totally unprecedented in the history of Senate committees for a witness not to come forward and provide a reasonable answer to a reasonable question asked of him. I hold Senator Hill responsible for this; I do not hold the officer responsible.

If Senator Hill thinks it is reasonable for an officer at the table to refuse to answer a question if he or she feels uncomfortable at the time, then the mind reels about what is
going to occur in the future. How many questions would not have been answered in the past if an officer felt uncomfortable about answering them? How often would we never have received an answer? It would happen time and time again if that were a legitimate reason to refuse to provide the most basic information to a Senate committee.

Let us look at the particular question that the officer felt uncomfortable about. It was about a method of communication between a department and the minister’s office—not the substance of the advice, but how it was communicated. Was it done by phone, email or fax? I even suggested in the estimates hearing it might have been by carrier pigeon! That was the issue at question that this officer refused to answer because he felt uncomfortable. And of course Senator Hill—the master of the political cover-up, the master of lack of transparency—backed him up, as you would expect. This was not an issue about advice to ministers. It was not an issue about the content of the communication.

On this issue itself, the officer was happy to answer such questions before the lunchbreak in the estimates committee but, for some reason, after the lunchbreak—after Mr Downer had got his arm and twisted it up his back, after Senator Hill had had the heavy roller run backwards and forwards over him by Mr Downer and the Prime Minister, Mr Howard—the officer felt uncomfortable. What a pathetic reason to provide and what a pathetic thing for the Leader of the Government in the Senate, Senator Hill, to back that excuse up. He made no pretence of commercial-in-confidence or cabinet-in-confidence, which poor old Senator Sandy Macdonald tried to run up as an excuse. He did not know what he was talking about, of course. How could it be commercial-in-confidence? How could be cabinet-in-confidence? Then he got so desperate that he just said, ‘Oh, well, it’s in confidence.’ Any report in a storm! The real bottom line is that, uncomfortable or not, an officer is required to answer a reasonable question like this, and if there is any doubt the minister must require him or her to answer the question. That is the key principle. Only public interest can justify refusal to answer, and such public interest arguments must be made to the committee for the committee and then the Senate to determine whether any immunity applies.

I commend to the Senate the three principles that you see outlined at the conclusion of the Labor senators’ reservations, which are appended to this report that has been tabled today. I commend them to the Senate. Listen to them. The first principle is:

(a) ministers and officers do not have a discretion to decline to answer relevant questions;

That is a longstanding principle in this place—breached, broken and ignored by Senator Hill and the Howard government. The second principle is:

(b) any refusal to answer a relevant question should be made by a minister on the basis of a properly advanced claim of public interest immunity based on specified grounds;

Again, this was ignored, rejected and treated with contempt by Senator Hill and his cronies. The third principle is:

(c) it is for the committee in the first instance and the Senate ultimately to consider whether a properly advanced claim of public interest immunity is to be sustained.

Again, this was completely ignored by Senator Hill and completely ignored by the government in this instance.

Senator Evans is probably right when he says, ‘Get used to it.’ This is probably going to become standard operating procedure for this arrogant government, particularly after 1
July. It is arrogance. It is a real ‘up you’ attitude from Senator Hill, throwing out the door principles that have historically applied under governments of both political persuasions in this place—fundamental principles of accountability and fundamental issues of transparency. They are important principles. They are worth defending. So, as Senator Evans has said, when they are breached we will come into this place and we will expose the government and the responsible ministers. In this case, it is Senator Hill in his typical cover-up mode. That is his standard operating procedure, and he stands condemned for it on this occasion.

Question agreed to.

Consideration by Legislation Committees
Additional Information

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (5.06 p.m.)—At the request of the Chair of the Senate Foreign Affairs, Defence and Trade Legislation Committee, I present additional information received by the committee relating to hearings on the 2004-05 budget estimates.

COMMITTEES
ASIO, ASIS and DSD Committee
Report

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (5.06 p.m.)—On behalf of the Chair of the Parliamentary Joint Committee on ASIO, ASIS and DSD, Senator Ferguson, I present the report of the committee entitled Review of administration and expenditure for ASIO, ASIS and DSD. I seek leave to move a motion in relation to the report.

Leave granted.

Senator TROETH—I move:
That the Senate take note of the report.

I seek leave to incorporate a tabling statement in Hansard.

Leave granted.

The statement read as follows—
I am pleased to present the third review of the administration and expenditure of ASIO, ASIS and DSD by the Parliamentary Joint Committee on ASIO, ASIS and DSD.

Under section 29 of the Intelligence Services Act 2001, the Joint Committee has an obligation to review the administration and expenditure of ASIO, ASIS and DSD including the agencies annual financial statements.

All members are aware of the on-going war on terrorism and the threat it poses to Australians and Australian interests both here and abroad. In response there has been a very substantial increase in the budgets, operations, administration and organisational structures of Australia’s intelligence agencies. ASIO, ASIS and DSD face major new challenges which must be managed through the appropriate administration of resources.

Given the nature of the review and the classification of much of the material submitted to the Committee by intelligence agencies, the review was conducted in private. The sources of evidence for the review were various. The three intelligence agencies made submissions and gave evidence to the Committee. In addition, the Committee relied on the Australian National Audit Office, ASIO’s unclassified Annual Report to Parliament and the Portfolio Budget Statements from the agencies.

However, there are still some deficiencies in this process.

The Committee is aware that it is not in a position to conduct a detailed examination of the financial resources of ASIO, ASIS and DSD and relies heavily on the reporting of the Auditor-General in relation to matters of expenditure. The Committee has also recommended that the annual audits of the agencies be provided to the Committee along with any additional information that might be relevant to the Committee’s review of administration and expenditure.
The Committee remains concerned about the financial accountability of DSD. This matter was raised in the first review of administration and expenditure. DSD is part of the Intelligence Output Group of the Department of Defence and, therefore, there is no requirement for DSD to prepare a separate financial report; rather it is incorporated as part of the overall financial reporting of the Department of Defence. The Committee has recommended that the Government give further consideration to an alternative mechanism to allow for a separate financial statement by DSD.

In addition, the Committee does not have access to other key documentation, notably the classified annual reports of ASIO, ASIS and DSD. Only ASIO produces a full, unclassified Annual Report to Parliament. Minor references to ASIS and DSD are made in the Annual Reports of the Departments of Foreign Affairs and Defence. The Committee therefore has reservations about its ability to review adequately the administration and expenditure of the agencies. It has recommended that the Government consider providing the Committee with the classified Annual Reports for all three agencies. These, as with the other classified documents presented to the Committee, would be treated with proper regard to their classification and to the limits of the Committee’s areas of responsibility as defined by the Intelligence Services Act.

The Committee supports the strengthening of ANAO oversight of ASIO, ASIS and DSD through the development of a rolling program of performance audits and through amendments to Section 10 of the Auditor-General’s Act to reflect the importance of the ANAO in assisting the Committee to discharge its responsibilities to review the expenditure and administration of the agencies.

In the context of ASIO’s investigation of possible terrorist activity in Australia, the Committee recommends as appropriate, greater liaison between the Inspector General of Intelligence and Security and the Commonwealth and State Ombudsmen including the development of a memorandum of understanding or protocol governing possible joint reviews of combined ASIO/police operations.

Much of the evidence before the Committee concerning Australia’s intelligence and security agencies is of a highly classified nature. This is right and proper in relation to information that may involve matters of national security. However, it is also the case that unnecessary secrecy hinders proper scrutiny. The Committee recommends that a review should be undertaken into the extent of public reporting across intelligence agencies overseen by the Committee. In a related matter, the Committee has also recommended that ASIS produce an unclassified version of its code of conduct and that this should be tabled in Parliament by the Minister for Foreign Affairs.

In conclusion, I would like to thank ASIO, ASIS and DSD as well as the ANAO for their cooperation in and contributions to this review.

I would also like to thank members of the Committee who have undertaken their duties in a bipartisan fashion and who recognise the need to put the national interest and effective Parliamentary scrutiny of highly sensitive matters before any partisan political interests. The work of the Committee continually presents the members with the challenge of reconciling the demands of national security with Parliamentary and public scrutiny.

It is the belief of the Committee that the report before you is an appropriate balance between the two.

I recommend the report to the Senate.

COUNCIL OF THE NATIONAL LIBRARY OF AUSTRALIA

The ACTING DEPUTY PRESIDENT (Senator Moore)—The President has received a letter from the Leader of the Government in the Senate, Senator Hill, nominating a senator to be a member of the Council of the National Library of Australia.

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (5.08 p.m.)—by leave—I move:

That, in accordance with the provisions of the National Library Act 1960, the Senate elect Senator Brandis to be a member of the Council of the
National Library of Australia for a period of 3 years.

Question agreed to.

**WORKPLACE RELATIONS AMENDMENT (SMALL BUSINESS EMPLOYMENT PROTECTION) BILL 2004**

*Report of Employment, Workplace Relations and Education Legislation Committee*

**Senator McGauran** (Victoria) (5.08 p.m.)—On behalf of the Chair of the Employment, Workplace Relations and Education Legislation Committee, Senator Tierney, I present the report of the committee on the provisions of the Workplace Relations Amendment (Small Business Employment Protection) Bill 2004, together with the *Hansard* record of proceedings and documents presented to the committee.

Ordered that the report be printed.

**WORKPLACE RELATIONS AMENDMENT (RIGHT OF ENTRY) BILL 2004**

*Report of Employment, Workplace Relations and Education Legislation Committee*

**Senator McGauran** (Victoria) (5.09 p.m.)—On behalf of the Chair of the Employment, Workplace Relations and Education Legislation Committee, Senator Tierney, I present the report of the committee on the provisions of the Workplace Relations Amendment (Right of Entry) Bill 2004, together with the *Hansard* record of proceedings and documents presented to the committee.

Ordered that the report be printed.

**ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION AMENDMENT BILL 2004 [2005]**

*Second Reading*

Debate resumed.

**Senator Webber** (Western Australia) (5.10 p.m.)—‘Practical reconciliation’ is a term that all Australians should treat with a great deal of concern, if not contempt. Practical reconciliation, which is used extensively by the Howard government, and has been especially over the last five years, is nothing more or less than weasel words. Confronted by the millions of people who marched across bridges throughout Australia in the year 2000 on behalf of reconciliation, the government had to do something. What they came up with was a new term: practical reconciliation. It was first used by the Prime Minister at the national launch of the National Indigenous English Literacy and Numeracy Strategy in Sydney on 29 March 2000. Many of us here are still unclear as to what it actually means.

What has practical reconciliation delivered? Here in this chamber today we are seeing what this term means. We now have before us the abolition of ATSIC. ATSIC, established by an act of parliament in 1989, came into existence in March 1990. It was an organisation which, for the first time in Indigenous affairs in Australia, established directly elected representative councils in 35 regions, with a national board of commissioners. ATSIC was charged with providing the means to allow the involvement of our Indigenous people in the processes of government that affected their lives. For nine of the 15 years of its existence, ATSIC has been the responsibility of those opposite: the Howard government. If there has been a failing of Indigenous affairs, especially of the administration, then it has been a failing of this government. It is not in a position to argue
that the failing has been solely the fault of ATSIC. This government has been in charge and the failing has happened on its watch.

What is ATSIC to be replaced with? Its replacement is to be an appointed advisory body selected by the minister, with no regional structure yet announced. The National Indigenous Council is to provide expert advice, we are told. But how will the members of the National Indigenous Council be resourced to ensure that they can represent the views of Indigenous Australians? I for one am not sure how they are to go about providing expert advice to government unless they are effectively resourced to do so.

The government is replacing a democratically elected organisation with an appointed advisory council. That is practical reconciliation, apparently. At the same time that this government is sending 450 or more Australian troops into Iraq to help safeguard the new Iraqi democracy, it is presiding over the abolition of ATSIC. The irony of this escapes those opposite. It does not escape the rest of us here. There is no doubt that it was time for ATSIC to be reviewed and time for reform, leading to new structures. There is sufficient evidence to suggest that ATSIC had reached the stage where a new representative structure was needed. Indeed, the Senate Select Committee on the Administration of Indigenous Affairs recognised that there were a number of problems with ATSIC’s structure and organisation. However, the Labor Party do not accept the government’s view that ATSIC should be abolished and replaced by an advisory group. In our view, there does need to be a democratically elected representative structure for Australia’s Indigenous people.

It is nonsensical for this government to send our armed forces to Iraq to help nurture democracy when at home it abolishes a democratic body. What the government is saying is that we will put Australian men and women in harm’s way to protect democracy on the other side of the world but we cannot replace a democratic organisation in our own country. The Indigenous people of this country deserve, at the very least, a representative, democratic organisation that is able to not only represent their views but also administer the programs.

What we are seeing is the ultimate failure of this government’s practical reconciliation. From the moment that they were elected in 1996 they have pursued an agenda that has been about getting rid of ATSIC and eroding Indigenous rights—not because of the problems within the organisation but because, from the very start, they had opposed the establishment of ATSIC. ATSIC, to the Howard government, is something that was never supported, always vilified and to be ultimately abolished. The Labor Party, on the other hand, believes that ATSIC needs to be reformed and replaced by a better organisation, because Indigenous people in this country deserve adequate representation.

There is no doubt that many of ATSIC’s regional structures have worked well since its inception, and we have heard about many of them in this debate. The local links with states and territories as well as local governments have worked very well. It beggars belief then that the regional structure is able to be maintained in the Torres Strait but not anywhere else in Australia. One has to ask who is to represent Indigenous people in negotiations with regional and state level agreements in the future. This of course is still unclear. We are now facing a situation where all the benefits that have accrued through the relationships built up by ATSIC’s regional structures are going to be lost.

There is no question that a one size fits all approach in Indigenous affairs, as in many other areas, is doomed to fail. A policy may
work very well only in a single community. One of the problems has been the level of local autonomy within the context of regional and national structures. That problem is not being addressed by abolishing ATSIC. The government carries on about a whole-of-government approach—in other words, back to the days of a one size fits all approach as determined by government departments in Canberra. How does this government begin to pretend that it is devising a program approach that will deal with the differences in Indigenous communities around the country?

We all know that they are diverse enough within my home state of Western Australia, never mind throughout the entire nation. A methodology that involves decision making in Canberra for remote communities is one destined for failure.

One of the big problems in my home state of Western Australia is that, for many non-Indigenous people, Indigenous consultations involve visits to Broome in the winter. I recognise that, in the debate of the committee’s report, Senator Johnston alluded to the fact that the committee had not visited Western Australia, though I am informed that they visited Broome. But visiting Broome is no more representative of visiting all Indigenous communities in Western Australia than visiting Cairns would be for all of Queensland or Katherine would be for all of the Territory. You cannot expect that this level of consultation will deliver reasonable outcomes for people in Kalgoorlie, the Pilbara, the Central Desert or even the south-west.

Practical reconciliation here is a failure. In fact, Indigenous affairs in this country is a failure under the Howard government. This government’s whole approach over the last nine years has been to blame ATSIC for any failings in Indigenous affairs—forget about ripping hundreds of millions of dollars out of ATSIC’s budgets over the years; no, we are not to actually consider that at all. Practical reconciliation has meant reducing the funding for ATSIC over the nine years they have been in power and then blame ATSIC for the outcome. And now we see practical reconciliation in its ultimate form: these weasel words of ‘practical reconciliation’ are replaced by direct government control of Indigenous programs. Yet again when confronted with a problem this government have no alternative other than centralising the power in their own hands—and in this case I refer to their approach of shared responsibility.

The late Puggy Hunter of the Kimberley once famously described Aboriginal community partnerships with governments as ‘like going out for a drink with a bunch of Jehovah’s Witnesses—no-one wants to buy the drinks’. This government can go on and on about how the relationship will be with individual communities, but we have been here before. We run the risk of repeating history because, rather than true reform of ATSIC—reform that Labor acknowledges needs to take place—what we are going to get is a return to the past.

There are compelling reasons for giving control of Indigenous programs to Indigenous communities. Ultimately, the success or failure of programs always depends on the community’s active participation. This government cannot legislate for a community’s active involvement in projects and programs that they are not involved in from the start, nor can they guarantee the communities will take up programs or projects simply because those projects or programs have worked somewhere else. Without a better understanding of the needs of a community, we are at risk of forcing solutions onto a community who need something else entirely.

How can the government suggest that this practical reconciliation will be effective simply because they are abolishing ATSIC?
all of its faults, ATSIC provided Indigenous Australians with not only a representative voice but also the ability to design and implement programs at the local or regional level. For all the good intentions, we are going back to a system that is about outcomes, based on programs and projects that Indigenous Australia does not have any voice in until the bureaucrats turn up to negotiate agreements. Puggy Hunter also once said:

You white people keep telling us Aboriginals we have ear problems. You keep showing us the graphs and the research. You know, I think you mob are the ones with the ear problems ... we keep saying the same things and you don’t seem to hear.

The government’s approach is a return to the days described by the late Mr Hunter. Indigenous communities will once again be shown the research and the graphs and then told by a mob from Canberra how it can all be fixed. Indigenous people will once again be excluded from meaningful involvement in the development of programs and simply be asked to sign agreements to fix the problems identified in the research. This new so-called practical reconciliation is something that in some cases is offensive to Indigenous communities. Recently, an ATSIC commissioner from Western Australia said in a media statement:

Mutual Obligations or Responsible Agreements aren’t new, our people have been working for the dole for over 25 years and it has been a catalyst for the Government’s own Work for the Dole program.

And now this government wants us to believe that service agreements for Indigenous communities are the way forward. The government would have us believe that these service agreements will provide the solution to the problems of health, education and unemployment in Indigenous communities.

The Indigenous people of this country are now entering into these service agreements without any democratic representation at the regional or national level. Their voices are to be hand-picked by this government. Well-meaning bureaucrats remote from any Indigenous community will design programs for these service agreements without any Indigenous input. These service agreements may or may not suit the community in question. So practical reconciliation in the future will mean that, other than expert advice being provided to government by people hand-picked and appointed by the government, Indigenous affairs will be reduced to communities signing service agreements.

The biggest failing in Indigenous Affairs in the last nine years has been by this government. ATSIC, for all its faults, was a democratically elected organisation with a regional structure that aimed to involve Indigenous people in the processes of government that affected their lives. It was an organisation in need of review and reform. This government has used ATSIC’s failings to mask its own complete and utter failure to advance Indigenous affairs in this country. What is needed is a new democratic structure for Indigenous people—a better, more effective representative body. What is not needed is a return to white people telling Indigenous people what is wrong and how to fix it. What is needed is an approach that allows Indigenous people to be actively involved not only in the delivery of programs but also in their design and control. Otherwise, yet again, it will be a case of non-Indigenous Australia having the hearing problem.

Senator BARTLETT (Queensland) (5.25 p.m.)—There is no doubt that the Aboriginal and Torres Strait Islander Commission had its failings, but that should be no reason for throwing out the whole thing—certainly not until a clearly worked through alternative had been considered with consultation with Indigenous Australians. If we scrapped every government department that had its failings
there would be no department left standing. It is very unfortunate that the controversies over some of ATSIC’s leaders have not just been used to mask this government’s own failings in Indigenous areas. Of course, the fact is that the vast majority of responsibility for programs dealing with Indigenous Australians was and is the responsibility of this government, not ATSIC.

The other problem is that the controversy over some of ATSIC’s leadership has also obscured the very significant positive stories, particularly amongst many of the regional councils. It is the failure to recognise the positive actions of many of the people within ATSIC, the significant achievements that have occurred and the potential that has been built up for more progress to be made that is the real tragedy here. I could focus a lot on how this government has failed to deliver on the group in the community that has by far and away the biggest disadvantage out of anyone in our whole nation. Of course we could focus on some of the failings of ATSIC in recent times, but we do have far too much focus on the negative in political debate in this country; we certainly have a lot of focus on the negative when it comes to Indigenous Australians. That is appropriate because their disadvantage is so enormous, but we should not forget that there are many good news stories out there that are not given the attention they deserve. In my view, that is because of the issue of ensuring that Indigenous Australians throughout the country—city, regional, remote, northern, western and southern—are given the priority that they are entitled to.

The only time Indigenous Australians get priority is when there is some scandal—when there are some political points to be scored. There is never priority when there are just long hard yards to be dealt with in overcoming entrenched disadvantage. There is never priority when there are successes or are good news stories—when there are advances and achievements—unless perhaps you have some sort of one-off celebrity situation like a sports star, musician or film star, when you might get some attention. But if we are looking at the positive achievements of Indigenous communities it is very rare that they get the attention that they deserve. I would say frankly that that is a failing of all of us, not just of political parties and parliamentarians. It is a failure of the media focus and of community focus. That is because in so many ways Indigenous Australians’ day-to-day lives are not connected with the rest of the community anywhere near as much as they should be.

If there was one area that I found more frustrating than any other in the election campaign—and it was a pretty frustrating election campaign for the Democrats, as I am sure people would appreciate—it was the inability to get recognition for the absolute priority that we should be giving to Aboriginal and Torres Strait Islander people in this country. When all the facts are so stark and you have a group of people in the community whose life expectancy is 20 years less than that of the rest of us, I find it astonishing that it is not a national scandal. Not only is it not a national scandal but it did not even rate any mention of significance from either of the political party leaders during the last election campaign. Once the election was over we had some statements from the Prime Minister, prompted, it appeared to me, by actions such as those of Michael Long and his walk to Canberra from Melbourne, but neither Mr Latham nor Mr Howard launched his party’s policies on Indigenous issues. There was very little effort on the part of the mainstream media to press them on what they were going to do about what should be the most significant national issue, and that, in my view, is a sign of why we continue to fail.
Of course it is a hard issue and of course nobody has all the answers, but those should not be reasons to not give it priority and not try to address the issue. I will certainly continue to do what I can to ensure we give it priority, because you can come out with all the greatest sounding statements you like about all the new programs, the new policies and the new funding arrangements, but if it is just a one-off exercise with no follow-through as a top priority then we will continue to fail. That is something that, as a nation, we really cannot afford to do.

We have a lot of talk in this parliament about a whole range of policy issues and the opportunities for us to move forward as a nation. As I said before, I believe we focus much too much on the negative aspects of things. Part of that is the nature of politics and representing concerns that people have, but I for one feel actually quite optimistic about many of the opportunities we have as a nation going into this new century. In many respects we are well positioned in the world to do far better and have people living in Australia do far better in a quality of life sense than people in most other countries. The one thing that is going to prevent us from realising our potential as a nation is having a group in the community that cannot share in the prosperity, the achievements and the quality of life of our nation. It is quite clear that Indigenous Australians—Aboriginal people around the country and Torres Strait Islander people—are in large majority not able to share in that prosperity and in those opportunities. There are many indications that that disconnection, that inequality, is actually getting worse.

The government may use that as a reason to say, ‘That’s why we’ve got to scrap ATSIC and try something different: it hasn’t worked,’ but, as I said at the start, you do not throw out something lock, stock and barrel until you have sorted out what you are doing next, and you do not decide on what you are doing next until you consult with the people that it is meant to be affecting more than any other. The total lack of any consultation with Indigenous Australians has made this move almost doomed to produce far less positive results than it might otherwise have done. The government, of course, set up their own review with Jackie Huggins, Bob Collins and John Hannaford and then proceeded to completely ignore it, wasting not only taxpayers’ money in running that review but the time of all the people who communicated with it.

An aspect of ATSIC’s achievements that I think should be emphasised, and which is at very big risk of being lost as a result of this legislation, is the build-up in experience and expertise amongst both black and white people. ATSIC and ATSIS certainly gave younger and older Indigenous people experience in dealing with the white bureaucratic world, which can be bamboozling even for people who spend their whole lives working within it. It was a place that enabled and provided a more effective opportunity for many Indigenous people to increase their skills in this arena which they could then take elsewhere. The atmosphere within many of the ATSIC offices at the regional level was actually supportive, with mentoring and an understanding of cultural differences and cultural requirements, and those things were given some priority in the workplace rather than being tacked on as afterthoughts or tokens.

Equally importantly, it gave many white people experience in working in that environment as well. Most white Australians—and I would include myself in this group—do not have much experience in working in a meaningful way with Indigenous communities and Indigenous cultures, with the different issues and the different reality. Getting connected with that reality, from both sides of what is still an unforgivably large divide,
is what we need to be doing. Frankly, I cannot see anything in what the government is doing now that is going to do very much at all to improve that, and quite a few things are potentially going to make it much worse.

When you are required to deal with the health statistics and the reality of race relationships on a day-to-day basis and face-to-face, there is the reality of white people actually having black bosses for a change, instead of the other way around, and the procession of funerals that so many Aboriginal people have to deal with and work through as part of their lives. There are not many other bureaucracies where mainstream Australians have to deal with those types of situations, and that one opportunity is now, if not completely lost, very much diminished. It seems to me that the government, with its so-called ‘mainstreaming’ approach, in large part is taking just another bureaucratic approach.

It is all very well to talk about focusing on results and so-called practical reconciliation. I do not have any objection to half of the message that is meant to be communicated with that. Of course we want practical results. Of course getting improvements in health, educational opportunities, employment opportunities and housing is critical. But it is a simple fact that those things do not exist, operate and succeed in isolation from community, society and the world view of the people who are supposed to be being addressed in these matters. To try to separate them out and disconnect them is to repeat the mistakes of the past.

Sometimes I feel that, in this debate of Aboriginal and Torres Strait Islander issues, there is a perception that we are talking about the long-gone past; that it is all very sad and tragic but it was a long time ago. In some ways it was a long time ago. But I was reading a book just last night about my own area, where I live and have lived basically all of my life—that is, around Brisbane in inner-city suburbs like Windsor and Albion—and the last sizeable Aboriginal corroboree in that area was in the 1890s in the Kedron area. That is maybe three or four kilometres from the centre of the city of Brisbane. That still might seem like a long time ago, but people who were alive then and witnessed that would have spoken and communicated their experience of it to people who are alive today. So, in some ways, there is still a direct link to first-hand eyewitness accounts of traditional Aboriginal life in the heart of a city like Brisbane. It is not that long ago.

When you think of the absolutely enormous dispossession that was involved there, it is not surprising that the world view of many Indigenous Australians is still affected by that massive loss not just of land but also of culture, family and history, and that sense of injustice. Australians sometimes shake their heads in quite a patronising way, I think, about centuries-long hatreds in parts of Europe. They say, ‘Why don’t people just get over it—they’re still arguing about wars of the 15th century or whenever.’ But the fact that those types of traumas can run deep over centuries shows just how significant a thing it can be to a people when they feel that they have suffered such a massive hurt or injustice. Certainly, in the Australian context, there is nothing that comes anywhere near the level of dispossession and human tragedy that Indigenous Australians have faced not just through dispossession but also through death, disease and family destruction.

To just try to sweep all of that to one side and say, ‘We’re just dealing with practical matters now,’ is not practical or real. It is unrealistic. It is really just going to be repeating the mistakes of the past. I do want to emphasise that, on top of that, we are actually throwing away very good things as part of this process. Sure, people will think, ‘We’ve
gotten rid of the problems that were in the headlines of the newspapers. But we have also gotten rid of a vast network and a mechanism that has not only provided results on the ground in different parts of the country but also built up that expertise. That takes a long time. That is not something that can be done in a few years. To just keep chopping and changing I think is incredibly short sighted. That is the real tragedy of what is being done here.

I take the opportunity to note the contribution of my colleague Senator Ridgeway, particularly on the report on this area called After ATSIC—life in the mainstream? by the Senate Select Committee on the Administration of Indigenous Affairs, and the extra comments he has provided here. I take the opportunity to note his work in a whole range of areas in Indigenous issues over the last six years. It is a sad irony that the passage of this bill will see the end of elected Indigenous representation in this country. On 30 June we will see the end of ATSIC as a directly elected body. Also, that is the day the only Indigenous member of federal parliament ceases his term. That is an unfortunate indication that things are not necessarily progressing in getting a clearer, stronger voice for Aboriginal Indigenous Australians.

I want to mention briefly, given that I am from Queensland, an issue relating to representation of Torres Strait Islanders who live outside the Torres Strait. We have a bit of an irony with this legislation: Torres Strait Islanders in the Torres Strait retain control of an organisation that both represents them and delivers services while Torres Strait Islanders throughout the country lose that representation. I think that is an issue that we need to consider also when we are looking at the representation of Indigenous Australians. The Torres Strait has its own specific and unique issues. I know there are always varying views about how closely or otherwise it should be intertwined with the main processes in ATSIC and in Aboriginal affairs more widely. Certainly, we want to make sure that, if we are talking about representation, Torres Strait Islander people who are outside the Torres Strait region still have the opportunity for representation. We need to make sure that happens. I understand that an amendment has been circulated in the chamber which I would like to move.

The ACTING DEPUTY PRESIDENT (Senator Moore)—You are foreshadowing that, Senator Bartlett?

Senator BARTLETT—Yes. It goes particularly to the issue of the structure of the regional councils because of their strong benefit and the role that they have played, as I said. It also goes to issues to do with Aboriginal women, the committee of ATSIC and the need for that aspect to be reconsidered. It also calls on the government to implement accountability and evaluation mechanisms for these new arrangements. In closing, it is a sad outcome in a whole lot of ways. It is unfortunate that, given all that the Labor Party senators have said, they will also be nonethe less supporting the legislation. If it passes, as looks likely, we certainly still need to continue to focus on addressing that disgraceful gap and disadvantage in the Australian community. It is certainly something that the Democrats will continue to do.

Senator JOHNSTON (Western Australia) (5.45 p.m.)—In talking on this very important piece of legislation—the Aboriginal and Torres Strait Islander Commission Amendment Bill 2004 [2005]—I commend those in this chamber who have contributed up to this point. This area of public policy is one of our most challenging and, indeed, I am disappointed that more senators have not participated in this debate. The needs, requirements and exigencies of Aboriginal communities should occupy this chamber and have this
parliament’s full attention probably more than any other issue. I say that because, when one looks at the outcomes—and the outcomes over a very long period of time under both Liberal and Labor administrations—one sees that they have not been good. When I look at one of the principal reasons—not the only reason—for that failing, that shortcoming, one has to be drawn in an even-handed way to say that ATSIC as an experiment has been a failure.

I participated in the Senate Select Committee on the Administration of Indigenous Affairs, which investigated—and I am abbreviating the terms of reference—the abolition of ATSIC. Both Senator Crossin and I, together with you, Madam Acting Deputy President Moore, sat through a number of hearings. Sadly, I was away on other committees, but I attended as many as I could. The thing that amazed me was that in Alice Springs and Darwin, and all around Australia, there was no outrage or opposition to ATSIC’s abolition. There was no indignation. There was largely apathy and an expectation that we can do better. That is a legitimate expectation—an expectation that knows that ATSIC, with a voter turnout of 20 per cent, is not only unrepresentative but simply failing to understand the diversity of its constituency.

ATSIC had no great mandate and, therefore, had no great accountability to firstly remote communities, which are very difficult to understand, to legislate for, to provide services for and to administrate. It then had no real understanding of the difference between remote communities and regional communities. Central wheat belt towns in Western Australia, for example, are totally different from outback, isolated, remote communities in the central reserve. They are absolutely chalk and cheese in their day-to-day functioning, in their facilities and in the integration that they have with the wider community. ATSIC never came to terms with that difference. Lastly, of course, it is fair to say that ATSIC never really came to terms with urban communities, although it was dominated by and preoccupied with them, particularly in Sydney, Melbourne and, to some extent, Perth and Brisbane.

That is the great irony of this, at the end of the day. I said to Geoff Clark in the committee hearing: ‘Mr Clark, how is it that, when the legislation is introduced, you don’t appear to have a friend in the world? The Labor Party are not willing to side with you; the government has certainly had enough of ATSIC. Nobody in public administration is prepared to put their hand up and say, “We must preserve this institution.” How has it come to this after such a long time?’ The answer I got—and I am paraphrasing what he said—was, ‘It’s not our fault; it’s everybody else’s fault.’ Leadership in this institution has failed, and it has failed for any number of good reasons. It simply failed to understand its constituency, and it was not determined to see good outcomes.

No-one is sad at ATSIC’s passing, and people particularly in Western Australia are looking forward to the changes. It concerned me that a number of commissioners who came before the committee were quite angry at ATSIC’s demise. But when I realised what it meant to them on a personal level—they lost substantial amounts of income and allowances, usually approaching figures in excess of $200,000—I understood why they were some of the loudest opponents to the demise and abolition of ATSIC. I hasten to point out that it is not about the fee. I do not mind paying the fee. The fees—the travel allowance, the living away from home allowance and all that—are fine, if I thought they were doing the job, if I thought there was an outcome, or if I thought there was some earnest application of public admini-
stration, skills and ability but, sadly, there was simply not.

We have outrageously high rates of child mortality, and we have domestic violence figures that are absolutely appalling. Indeed, we have two reports that absolutely stagger any semblance of proper public administration. We have Third World health conditions and chronic unemployment. The outcomes were against the backdrop of the ATSIC budget, which in 2002-03 was $1.1 billion—that is, $A1,100 million was given to ATSIC in 2002-03.

That is not the end of the matter, because the Australian government had a total expenditure, independent of that figure, of $1.3 billion. So $2,400 million was spent on Aboriginal and Indigenous programs and affairs in one year, yet we still have this failure of public administration. Let us be perfectly frank: it is not all ATSIC’s fault. The changes that are on foot in this legislation are the beginning of a new dawn, the beginning of a new day and they are positive in the face of the hand wringing and platitudes that we get from the opposition and from senators in the minor parties.

I am trying as hard as I can to be the least bit provocative in terms of politics but, by any measure related to health, education, housing, child welfare or domestic violence, ATSIC was a failure and had to go. The first person to come out publicly from the other side and say that and bring the debate to a head was the former Leader of the Opposition, Mark Latham. He said: ‘It’s got to go.’ This legislation would not be here if it had not been for the Labor Party coming to the conclusion that ‘enough was enough’.

This legislative framework was put in place in 1989 by the then Labor government. It has all the hallmarks, all the similarities and all the foibles and complexities of the national native title legislation. We all know, and those people who have some empathy with Aboriginal people in these areas all know, what a chronic failure it has been in terms of having expectations dashed, in terms of holding out the torch of self-determination just to see it not work, because the organisation and the institution became subverted in peculiar, internal political wrangling.

I want to talk about the new start. The current Minister for Immigration and Multicultural and Indigenous Affairs, Senator Vanstone, needs to be heartily congratulated on grasping this very difficult nettle. The legislation focuses on outcomes, it focuses on funding from the ground up, not the top down—which was the ATSIC model—and it focuses on direct funding into communities. It provides a better capacity to address the diverse needs of Aboriginal people. The people in the central reserve of Western Australia, the people up in the Kimberley, the people living in Redfern need a certain degree of understanding and a perception of what their requirements are in order to make the funding meaningful and to get a good bang for the buck that we put into Aboriginal and Indigenous affairs. The minister must be congratulated on her approach. As I said, we can do better and I believe that this is the first step on the right path towards doing that.

I pause to say what that means in terms of parliamentary oversight. We all participate in the estimates process; we all go along to Senate committees. The opportunity that this presents to ordinary members of the Senate back benches to go along to estimates hearings, and to scrutinise what is happening in individual communities, to raise issues, to follow them up, is an opportunity that we have not had before. The principal reason why we have not been able to get to the bottom of the problems in the management and the public administration of Indigenous affairs is that ATSIC has been totally unac-
countable. It has been funded entirely by the Australian government—of whatever political colour—but it has not been accountable to the parliament.

We go along to estimates, we go along to our inquiries, we can call the witnesses and we can see that mainstreaming achieves the intended outcome. We can ride behind the Commonwealth officers, the senior departmental secretaries, the SES officers and we can ask: ‘How many times have you been out into the communities this year? I want to know whether you have been to Balgo. Are you going to Balgo? Are you ever planning to send anybody to Balgo?’ Balgo is a very important Aboriginal community. I want to know whether public servants will do the right thing and see that the services that we all hope will get delivered to these places are actually being delivered. We have never had that opportunity.

This legislation, this scheme, this plan gives us a chance to be there, to be part of the game and to seek the outcomes that we all want. That is why I think this legislation is very good. I think it is interesting that the opposition come into this place and say, ‘It’s terrible that we’re going to forsake the democratic institution of Indigenous people.’ The only reason this legislation is here today is because Mark Latham committed the Labor Party to support the abolition of ATSIC. That is why it is here. We would not get the legislation through if it were not for the opposition and the minor parties. We have it here because Labor has realised that the system is not working. When you have people’s livelihoods, their health, their future, their education—those sorts of things—in the palm of your hand, Senators, that is when you need to act. I say to Labor—notwithstanding that it is trying to dress it all up and hide behind some sort of Clayton’s abolition of ATSIC—congratulations; support the abolition. Let us get on with this new scheme and let us see if we can deliver some outcomes to Aboriginal people that are long overdue.

I am looking forward to attending estimates and I am looking forward to visiting communities, with senior public servants, to see that delivery is taking place. I am looking forward to asking departmental heads: ‘How many times have you been to Redfern? How many times have you been out there talking to Aboriginal people on the ground?’ I am looking for a much greater engagement between Commonwealth and state departments. We now can open up that dialogue. I think that has been a problem: ATSIC has not been able to communicate with state departments. There has been a ‘my empire versus your empire’ attitude: ‘Don’t get on my turf. We do this.’ I am hoping that a lot of the emotional guardianship of one’s turf is now coming out of the argument and we can look to delivering services properly. I hasten to say that none of this is easy. I look forward to joining the opposition in scrutinising government on how we deliver services to Aboriginal and Indigenous communities.

I have great respect for many members of the opposition. Senator Crossin, Senator McLucas and indeed Senator Moore are just a few people who take the time to come along to the Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund, sit up all hours of the night reviewing annual reports and do the sorts of things that Aboriginal people need us to do to ensure that they are getting a fair crack of the whip out of what is a very successful economy. We all enjoy a magnificent standard of living but we can do better about what Aboriginal people are seeing in terms of their slice of the pie.

The need for change has been explained. In saying why we had to move in such a way I refer to the Gordon inquiry report to the
Western Australian state parliament, and to a further report which was produced in Sydney, entitled *Child sex abuse in rural and remote Australian Indigenous communities*. Those two very interesting reports indicate the urgent need for this parliament to arrest what has been a failure in the delivery of service with respect to a number of fronts, particularly state and federal and ATSIC. ATSIC is the first step; we are on the way to really getting stuck in to fix this matter up.

I now turn to the Labor Party’s approach. I have complimented them on the fact that they are supporting the abolition of ATSIC. I see a number of amendments come floating through. That is not the way to deal with Aboriginal and Indigenous affairs. It is not the way to go forward to give a proper lead. You have to have a plan; you have to have a policy. What is Labor’s policy? We have seen that ATSIC was unrepresentative of people all over Australia. We have seen that the funding was not delivered; it was a top-down scheme that simply did not get off the ground, such that none of its constituents lamented ATSIC’s passing. So where is the great Labor plan? If they do not like what we are doing about a representative institution, where is their model? Where is the work that they have done to say, ‘We think we can do it better’? The bottom line is that they have not done the work and they have not approached the hard questions.

The report that was put forward by the select committee was full of political platitudes designed to be a Clayton’s support for the bill—that is, they do support it but they really want to show Aboriginal people that they are very unhappy about supporting it. The fact is that Aboriginal people are not unhappy about the legislation. They are looking forward to a new day. The Labor Party need to understand, as Senator Ridgeway indicated, that they should get on with the job. They should accept this legislation for what it is. It is a new start and it is a better way of doing things.

I pause to say that, from talking to people on the ground, I know that the Western Australian experience was that ATSIC was wholly and solely irrelevant to and unrepresentative of them. Western Australia has by far the largest population of Indigenous people in this country but their representation on ATSIC was one of the smallest. Indeed they did not fit into the political paradigm that evolved inside the walls of ATSIC. They did not have the chance to do the networking, to play the part and to assert themselves that eastern states members of ATSIC had. So Western Australia was at a huge disadvantage when it came to being part of what was an experiment in self-determination. In fact ‘self-determination’ was simply a euphemism for the strongest over the weakest and for the most articulate dominating the inarticulate. That is the failure on the ground in Western Australia.

Senators have said that I said that we did not go to Western Australia. We went to Broome before the parliament was prorogued. It is a whole new parliament. We did not go to Carnarvon, Meekatharra, Kalgoorlie—where there are literally thousands and thousands of Indigenous people—Perth, Bunbury, Albany or Geraldton. That is the most outrageous thing about the Labor Party’s approach to this legislation. They wanted to hold an inquiry but almost half of the constituents were left out of the loop. That is a very sorry, sad and lamentable fact.

In closing, I sincerely hope and believe that the legislative scheme that is before the Senate today is going to be a better deal for Aboriginal people. I believe it will give senators a much greater opportunity to scrutinise,
to observe and to be part of the process of improving the lot of Aboriginal people, be they living in the cities, wheat belt towns, agricultural centres or some of the most remote communities in the world. I commend this legislation because the minister has done a good job. *(Time expired)*

Senator O’BRIEN (Tasmania) (6.05 p.m.)—I am pleased that, about 19 minutes into his contribution, Senator Johnston went some way towards correcting the record as to what he told the Senate about the Senate Select Committee on the Administration of Indigenous Affairs only last week. As Senator Johnston now recalls, he attended a hearing in Broome in Western Australia, contrary to his advice to the Senate last week that the committee had not been to Western Australia. He asked about 88 questions, I believe, at the hearing but he forgot all about that because, obviously, he was not paying attention to the evidence. He had a brief to achieve and it did not matter what the evidence was, according to Senator Johnston. That is the only thing I can draw from the extraordinary statement that he made last week.

I rise in this debate to lend my support to the second reading amendment moved by Senator Carr on behalf of the Australian Labor Party. It is with a somewhat heavy heart that I indicate my support for the abolition of the Aboriginal and Torres Strait Islander Commission. Its abolition has in fact been long effected by this government through administrative means. This administrative action has been aided by the behaviour of a number of ATSIC’s leaders, not least that of its chair, Mr Geoff Clark. It is telling that in the very week the Senate select committee report into the Aboriginal and Torres Strait Islander Commission Amendment Bill 2004 [2005] is presented and the legislation for ATSIC’s abolition is debated, Mr Clark has been embroiled in a debate about the ownership and authenticity of a football jumper.

Once again Mr Clark, wittingly or unwittingly, has become the centre of public attention at a time when his organisation and his people require real leadership.

I had the privilege to serve as the shadow minister for reconciliation and Indigenous affairs for part of the last parliament and I released Labor’s Indigenous affairs policy statement during the election campaign. On 30 March last year, Mark Latham and I jointly announced Labor’s decision to support the abolition of ATSIC. We said that ATSIC had lost much of the goodwill it once enjoyed. Importantly, we also recommitted Labor to the principle of a national Indigenous representative body. That has been forgotten by some contributors to this debate. We did not hide from that commitment then and we do not hide from it now. What we did do was acknowledge that Indigenous interests were not best served by the continuation of Indigenous representation in its current form. At that time some people preferred to stick their heads in the sand and pretend it was not thus—and they still do.

It is not surprising to me that Senator Ridgeway spent a good part of his speech during debate on the second reading of this bill in attacking the Labor party. He repeated the asinine claim that Labor started the ball rolling on ATSIC’s abolition. The fact is that the Howard government had been gunning for ATSIC since day one of its election, more than nine long years ago. The claim that Labor’s policy statement was the beginning of the end for ATSIC is as stupid as it is absurd. It is telling that Senator Ridgeway and others have lined up the government’s campaign against Indigenous Australians with Labor’s 30 March 2004 media statement and asserted some sort of equivalency—that is, that Labor’s announcement was comparable to the Howard government’s savage cuts to the ATSIC budget, its struggle to undermine native title, its contempt for the stolen genera-
tions and its orchestrated campaign of vilification against the leadership of ATSIC.

Labor recognised the reality of ATSIC’s circumstances and decided to do something about it. That is why Labor took a policy to the election that committed an incoming Labor government to the development of a new regional and national Indigenous representative arrangement—a structure developed in consultation with Indigenous Australians. Labor did not introduce the ATSIC legislation in the middle of last year, but we were forced to deal with it. As the then responsible shadow minister, I negotiated with the Democrats, the Greens and individual Independent senators to establish a select committee to consider the ATSIC legislation and related matters, including the consequences of mainstreaming Indigenous programs. This committee, re-established in the new parliament, gave Indigenous and non-Indigenous Australians their first and only opportunity to comment on the government’s plan. It was an opportunity the government wanted to deny the Australian people, including the very Australians whose representative structure it now seeks to abolish. During its first incarnation, this select committee took evidence in places as diverse as Alice Springs, Broome, Nhulunbuy, Cairns and Thursday Island in addition to accepting and publishing hundreds of individual written submissions. The Senate re-established the committee after the election and allowed it to complete its work.

I have had a number of longstanding concerns about the ATSIC legislation, not all of them comprehensively addressed in the select committee report or during this debate. One of my concerns relates to the proposed expanded role for the Office of Evaluation and Audit, an office that will operate with an almost unrestricted right to examine organisations and individuals that receive Indigenous specific funding. Little attention has been paid to the fact that this office will enjoy little operational independence. I am concerned that the capacity of the executive to direct the work of this office will be largely unchecked by external scrutiny. As the senator who uncovered the absurdly named and publicly funded Operation Hoodoo in relation to the Bidjara group, I am not satisfied that unchecked power in these circumstances is healthy or desirable. Organisations and individuals that receive funding, Indigenous or otherwise, need to be accountable. But I wonder why no Operation Hoodoo was established to investigate the circumstances in which Beaudesert Rail lost $5.8 million of taxpayers’ money on a non-operational rail line and still left creditors blowing in the wind. And I wonder whether the states understand the extent of the powers available to the Office of Evaluation and Audit under the provisions of this bill.

Of course, the operation of a new audit unit is pretty small beer in an environment where Indigenous programs and services are mainstreamed. That environment does have only passing relationship to the passage of this bill. Under the cover of ATSIC related controversy, including Senator Vanstone’s extraordinarily inept and spectacularly unsuccessful attempt to suspend the chair, the government has introduced wholesale changes in the administration of Indigenous affairs. The government has ordered its bureaucracies to swallow up Indigenous specific programs without regard for the needs of the Indigenous people they serve or, in many cases, the bureaucracies themselves.

In response to criticism, the government has pointed to the failure of existing program delivery—failure the government, I might say, has presided over for more than nine years; failure that cannot, except at the barest margins, be attributed to the administration of programs by ATSIC or other Indigenous controlled organisations. The fact that many
Indigenous controlled organisations perform magnificently is rarely acknowledged by the government or, for that matter, anyone else. Senator Carr acknowledged the success of many Indigenous controlled organisations during his speech in the second reading debate, and I welcome and endorse his remarks.

We have heard plenty of bold statements from the government and, in particular, government senators about the new dawn in Indigenous affairs to be brought about as a result of its mainstreaming program—and not just from ministers. The Secretary of the Department of Prime Minister and Cabinet, Dr Shergold, has been vocal in his commitment to make the Public Service more responsive to the needs of Indigenous Australians under the new regime. That is a good thing, but it is results that count. We all know how language can be used and abused—after nine years of Mr Howard’s prime ministership, boy do we know.

Late last year I thought it useful to look at how one key government department was performing on the critical issue of Indigenous employment. I thought employment was a good issue to examine because it is something over which the department has some control. The argument that Indigenous Australians are not good employees or do not want to be employed has as much currency as the argument that women do not belong in public life and, anyway, would really rather stay at home. I thought the Department of Transport and Regional Services was a good department to examine for a few reasons. The first was that it is a large department with regional offices located in places such as Darwin, Perth, Adelaide, Hobart, Bendigo, Wollongong, Orange, Newcastle, Townsville, Longreach and Jervis Bay. Many of those locations are home to significant numbers of Indigenous Australians. The second reason was that the department is administered by Deputy Prime Minister Anderson, a senior member of the government and himself a representative of an electorate with a significant Indigenous population. The third reason was that DOTARS was the department that the current Public Service Commissioner, Ms Lynelle Briggs, was serving when she was appointed as commissioner late last year. I also thought it appropriate to examine this department’s performance because its last annual report made some bold, but appropriate, statements about workplace diversity. This is what the DOTARS 2003-04 annual report says on page 161:

We respect and value the diversity of our workforce. In 2003-04, we continued the workplace diversity programme we launched in 2001. The programme is overseen by our Diversity and Equity Network and challenges us to:
• attract and retain a diverse range of people to the department with a focus on indigenous recruitment ...

I thought that was pretty interesting. Not only did it make the department’s commitment to focusing on improving Indigenous employment clear, it noted that the policy challenging it to do better had been in place since 2001. Four years on, I wanted to know what sort of results this policy and the department’s stated commitment were delivering. So, noting that the department employs about 1,000 permanent staff, I asked Mr Anderson a question on notice, and he told me that in 2003-04 his department employed 2.45 full-time Indigenous employees. That is, just under 2½ full-time positions out of about 1,000 were filled by Indigenous employees. That is an absolute disgrace. It is less than a quarter of one per cent of the staff. This exposes the department’s claim that it has a focus on Indigenous employment as nothing more than a collection of cheap words.

As well as asking Mr Anderson how many Indigenous people his department employed, I asked him what strategies his department
had to improve employment outcomes. This is what I found. Was there an Indigenous employment strategy? No. Were there Indigenous specific employment positions? No. Was there an agency based Indigenous employment scheme? No. Were advertisements placed in Indigenous media, such as the Canberra based National Indigenous Times? No, that was not done either. In fact, the only measure adopted by the Department of Transport and Regional Services to improve its Indigenous employment outcome is participation in the National Indigenous Cadetship Program—and even that measure will not be adopted until later this year.

Public sector employment is one small measure of a government’s commitment to improved Indigenous outcomes. The fact that in this case the examination of reality so dramatically demonstrates the hollowness of the government’s rhetoric points to a bigger problem—a problem that underlies the anxiousness of many of us about the government’s mainstreaming of Indigenous programs. The life expectancy of Indigenous women has declined since Prime Minister Howard occupied that office. That has nothing to do with ATSIC. Nor does ATSIC bear responsibility for the poor rates of literacy and numeracy, the appallingly high rates of incarceration and the shocking infant mortality rates enjoyed, if I can put it that way, by Indigenous Australians. That responsibility rests with us, fellow senators—and it rests with a government that pretends that eliminating Indigenous representation and dismantling Indigenous programs will address Indigenous disadvantage.

I say this because I think it is important that Labor’s position be put in the context of our dissatisfaction with the current arrangements and the performance of the government. I say this because it is important to understand that we do not believe that we can find a genuineness behind the government’s words to give us confidence in the arrangements that the government seeks to put in place. I say this because we think something better has to come from the abolition of ATSIC. Labor as a party, and individuals within Labor such as me, will continue to work towards a more effective representative structure for Indigenous Australians, because we believe that self-determination for the original Australians needs to find a face in our society. Its time will come. It may not be in the next three years, five years or 10 years, but it must come.

I do maintain support for the abolition of ATSIC, as I first expressed on behalf of the Labor Party in March last year. In saying that, I understand that no representative arrangements will be put in place under this government—and that is a very sad state of affairs. However, I think that from this position a great many contributors from Aboriginal and Torres Strait Islander communities will carry the fight to this government and make sure that in the future their rights will be represented properly, their communities will be well served and well represented, and we will be talking about other legislation, probably with a different name, which will be the means by which this parliament will give effect to a new set of representative arrangements. I commend the second reading amendment and the legislation to the Senate.

Senator ABETZ (Tasmania—Special Minister of State) (6.22 p.m.)—I thank senators for their contributions to this important debate. I foreshadow that I will be moving one amendment to this bill on behalf of the government at the committee stage of the bill. The Aboriginal and Torres Strait Islander Commission Amendment Bill 2004 [2005] is part of a dramatic and overdue shift in Indigenous affairs policy. No-one in this chamber could continue to support a system
that has failed Indigenous Australians so badly for so long.

It is disappointing that Labor continues to play political games on the issue. The delay in passing the ATSIC Amendment Bill has caused confusion and is hurting Indigenous Australians. After nine months, the Senate committee’s report simply admits that abolishing ATSIC is a fait accompli. After all, the opposition announced that abolishing ATSIC was Labor policy. It still is. Yet here we are, almost one year on from that announcement, and still Labor have not let go of ATSIC, simply because ATSIC represents a profound policy failure on their part—ATSIC was a creature of their making.

We have heard nothing in this chamber from the opposition parties but praise for ATSIC, as if it were an effective body representative of Indigenous people. We have heard how it has been the champion of Indigenous people. On the one hand, the opposition point to a lack of progress and, on the other hand, support a continuation of the status quo. That is because they have no ideas and nothing to add. In reality, there has been very little adverse reaction to the abolition of ATSIC. Labor’s crocodile tears over ATSIC do not wash with the government. What is their real commitment? Since 1996, they have had eight opposition spokespeople on Indigenous affairs, seven in the past four years. Does this mean they all want to have a go? I do not think so. The sentiments of Labor were summed up by one Labor left faction MP who in 2000 said, ‘Taking on Aboriginal affairs is like accepting a job as a toilet cleaner on the Titanic.’ Mr Beazley—or was it Mr Crean?—never did find out who said that. That is their attitude: plenty of talk but no commitment.

This government is serious about reducing Indigenous disadvantage. It has spent a record $2.9 billion on Indigenous specific programs this year, 39 per cent more in real terms than in the last years of the Keating government. Those opposite would have us believe, through their propaganda and second reading amendments, that this expenditure has been a complete waste and that there have been no real gains. Their claims are simply not true. There have been real and important improvements. The gap between Indigenous and non-Indigenous Australians has reduced in terms of deaths from respiratory illness and infections, and parasitic diseases; year 5 writing and reading benchmarks; secondary school attendance; year 12 retention; home ownership; students at TAFE and universities; and Indigenous employment, which grew by 22 per cent between 1996 and 2001.

The non-government parties talk about an apology but what would that have done in a practical sense? The government has provided $120 million for real initiatives such as the link-up network, counselling and parenting programs, cultural and language programs, a records preservation project and a national oral history project to address these issues. The opposition continues to dredge up its views on native title. The 1998 amendments to the Native Title Act have resulted in the volume of claims being rationalised and the claim process being streamlined. The rate of settlements has increased dramatically. Recently, the government provided Reconciliation Australia with a capital injection of $15 million. Reconciliation Place has been constructed in the Parliamentary Triangle at a cost of over $6 million.

While we should acknowledge improvements, Indigenous Australians still lag behind. It is not good enough to keep working within the same flawed framework designed by Labor. That is why we are going beyond abolishing ATSIC to introduce radical reforms to the way programs and services are
delivered. The Australian government wants Indigenous people to have the same opportunities and choices that are enjoyed by other Australians. Yet over and over we have heard claims from the opposition that ATSIC is simply a scapegoat for the failure of others. So to mask the fact that Labor has no vision for the future, it harks back to the past. It sets out to discredit the government’s efforts regardless of the truth. It is just a political game.

Members of the opposition have said that there should be more consultation before we act. During the ATSIC review there were two major rounds of public consultation. Eight thousand copies of the public discussion paper were mailed out and a web site was set up. The panel received 156 written submissions. The panel met with a wide range of stakeholders across the nation, including each of the 35 ATSIC regional councils. A number of regional councils chose to invite community members to participate. The panel also met with some interested individuals. The public consultations revealed widespread disillusionment and dissatisfaction with ATSIC on the part of Indigenous Australians. Most Indigenous and non-Indigenous Australians want us to put an end to it now.

The opposition have spoken at length about what they call mainstreaming. They use the emotionally charged word ‘assimilationist’ as a smokescreen for the fact they are devoid of ideas and originality. They say that mainstream departments have always failed Indigenous people in the past. They do not get the message that we want nothing to do with the past—that is Labor’s speciality.

The Senate Select Committee on Indigenous Affairs heard evidence from the head of the Department of the Prime Minister and Cabinet, Dr Peter Shergold. He told the committee that the old criticisms of mainstreaming were not relevant now. Labor knows that we are not abolishing special programs and that we are putting machinery in place to make the mainstream agencies take up their responsibilities in a coordinated way. Many of the Indigenous programs that mainstream agencies will manage are delivered now by Aboriginal organisations. They will be in the future. These are Labor’s scare tactics. In fact, it was Labor that mainstreamed Indigenous health programs when it recognised that ATSIC was failing.

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

(Quorum formed)

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (7.33 p.m.)—Senator Abetz made some remarks in summing up and I would like to conclude those by thanking all senators for their contributions.

The ACTING DEPUTY PRESIDENT (Senator Knowles)—The question is that the second reading amendment moved by Senator Carr and also on behalf of Senators Ridgeway and Nettle be agreed to.

Question agreed to.

Senator RIDGEWAY (New South Wales) (7.34 p.m.)—by leave—At the request of Senator Bartlett, I move the Australian Democrats’ second reading amendment:

At the end of the motion add:

“but the Senate is of the opinion that:

(1) the legislative structure of the ATSIC Regional Councils should remain in place whilst operating within the ATSIC Regional Council structure, Aboriginal and Torres Strait Islander peoples should have the opportunity, provided in the legislation, to negotiate with each other to create a representative structure
within the boundaries of the current ATSIC regions or wards which reflect the cultural leadership of the residents more appropriately, as recommended by the ATSIC Review Report *In the Hands of the Regions*.

(2) The Government should resource the continuation of Kungkala Wakai (“Our Women’s Voice”), the committee of elected female ATSIC members headed by Commissioner Alison Anderson.

(3) Where a legitimate decision has been made by ATSIC relating to assets held by ATSIC, the government department now responsible for administering the relevant assets must honour the decision and follow through by administering the full implementation of this decision in an expedient manner.

(4) The government must immediately enter into negotiations with the Torres Strait Regional Authority as to which is the best Torres Strait Islander representative body to replace the Torres Strait Islander Advisory Board as the body which recommends the Torres Strait Islander member to be appointed to the AIATSIS Council.

(5) The Government must produce and make publicly available, guidelines for Departments, governments, Indigenous organisations and individuals regarding Shared Responsibility Agreements (SRA), including:

(a) a clear description of what they are, and what the principles behind their use is and;

(b) a clear account of what is and is not acceptable for use in SRAs, for example that no basic citizenship rights are to be bargained for; and

(c) arranging for translation of the guidelines into the local languages (either in published format or through oral presentations) so that communities fully understand the processes.

(6) “Noting that the government has no developed way of evaluating the ‘new arrangements’ in Indigenous Affairs, the government should:

(a) fund a comprehensive needs analysis of Indigenous communities;

(b) task the Commonwealth Grants Commission to establish a measure of relative need in Indigenous communities;

(c) increase it’s monitoring and reporting of information about outputs and outcomes of government funding for Indigenous related programs including the development of a comprehensive national benchmarking regime; and

(d) provide a clear breakdown of all expenditure on Indigenous affairs including what is for the benefit of Indigenous Australians, what is for the benefit of all Australians and what is funding used to contest Indigenous people’s rights”.

I want to speak to this second reading amendment because it has been circulated late in the chamber. I think it is necessary to give some explanation to the government and to the opposition in particular to try to enlist some support and, at the very least, to demonstrate the chaos that the government’s decision to abolish the Aboriginal and Torres Strait Islander Commission leaves many Indigenous communities in right across the country. The amendment particularly relates to the need for a regional network or structure to coordinate how services are run and how views are going to be listened to under the government’s new arrangements. The amendment also relates to the question of how women are represented in the process—I spoke during the course of last week about that particular issue—and to the committee that had previously been put together by ATSIC under the Kungkala Wakai initiative.
The amendment also goes the question of property assets. Legitimate decisions have been made by ATSIC relating to assets held by them, and government departments now have responsibility for administering those assets. The amendment seeks support for those decisions to be honoured—particularly those that were taken over a year ago, not the ones that were caught up in recent debates.

The amendment also deals with the issue of the Torres Strait Islander Advisory Board. The government may not be aware of the confusion that has been created there. I think what has not been spoken about in this debate is the fact that, whilst the government have moved to make sure that the Aboriginal and Torres Strait Islander Commission itself is abolished, the Torres Strait Regional Authority is unaffected by these changes. But there are questions in relation to the Torres Strait Islander Advisory Board and relationships between that and the Australian Institute of Aboriginal and Torres Strait Islander Studies.

Last, and probably not insignificant, are questions in relation to accountability mechanisms in order to look at how shared responsibility agreements are put together and at the evaluation of new arrangements. The Senate Select Committee on the Administration of Indigenous Affairs was not provided with any comprehensive information from government or from government departments about how these new arrangements would work and what the evaluation criteria would be. Rather, it has been left open to communities to somehow work that out for themselves. I think it does raise questions. If we are talking about allocating public moneys and expenditure in communities, I think there is a need to make sure that you do get results but most of all that there is a way of being able to assess and measure them.

This is not an issue that is new to this process. It came up in a Senate inquiry in 2003 looking at the national progress towards reconciliation. That looked at how the evaluation of Indigenous programs across the country was going to work. Now that we have the new arrangements, I think that at the very least there is a need for an Australia-wide analysis of Indigenous communities. We should look at giving the Commonwealth Grants Commission the capacity to establish a measure of relative need within communities, if need is to be the basis on which services are provided. It should look at increasing its monitoring and reporting of information about outputs and outcomes and should certainly put in place a comprehensive national benchmarking regime.

On that point I have to be little bit critical of the states and territories for shirking their responsibilities and for looking at measuring themselves after the fact, as opposed to setting some standards that ought to be achieved and doing that in partnership with Indigenous communities. They should make sure that there is a clear breakdown of all expenditure on Indigenous affairs, particularly that which goes directly to Indigenous communities and provides some sort of benefit. We are coming up to the May budget, and I do not believe that the smoke and mirrors about record amounts of money being spent in Indigenous affairs is lost on anyone here. Very little information is being provided on what is old, what is new, what is being spent within government departments and what actually drip-feeds down to services on the ground. These are all important matters.

In considering the entire bill we also need to remind ourselves that, even with the speech that was given by Minister Abetz about the positiveness of these changes, it is hard to understand how he could trumpet this bill as achieving those outcomes. He talked
about the failures of ATSIC when it has been said time and again in evidence put before the Senate select committee—and certainly through the ATSIC review committee process, where we spent $1.4 million in establishing both evidence and reasons—that there was a need for reform but for the retention of a national and regional structure. All of that has been lost on the government.

There is no evidence that mainstreaming itself will work. The government has not been able to put forward any practical evidence to support the claims that mainstreaming processes will improve the position of Indigenous people. Indeed, the opposite is probably the case. That is shown in overseas jurisdictions. I hasten to mention the whole question of community control, which the government seems to harp on about. It talks a lot about putting Indigenous services and decision making into the hands of Indigenous communities, yet at the same time it is trying very hard to diminish the capacity of the representative structures across the country. The rhetoric does not seem to ring true with what is actually going on. It is certainly not about empowering communities.

I mention again the MiMi Mothers Aboriginal Corporation. I mentioned that many times in this place during the hearings of the Senate select committee. I point out that the decision in that case was taken over a year ago, when property was transferred to the Aboriginal Housing Corporation. I would encourage the government to look at that again. They say that they want to help that community and that they want to look at practical ways of moving forward. I could not think of a better way. So far the Department of Family and Community Services have made a decision against criteria that do not necessarily match the local aspirations and certainly do not support the mothers and the youth programs that are currently operating under very difficult circumstances.

It seems to me that we have to move beyond some of the rhetoric. Otherwise the successes that are out there at the moment will run the risk of floundering. I note that Senator Abetz, speaking earlier, mentioned the failure of ATSIC and yet at the same time neglected to mention that the health, housing and education programs were programs that, by and large, ATSIC did not deal with. When looking at the programs that were successful, one would have to ask: if they were so bad then why are none of the programs being abolished? During the Senate select committee process, I asked Dr Shergold, now head of the Department of the Prime Minister and Cabinet, why he thought that, after being the CEO of ATSIC, he was promoted to being the head of PM&C—or the head of the Public Service, for that matter. It seems to me to be a contradiction and an argument against what the government proclaims in this case.

I believe that there is a genuineness in wanting to overcome the endemic poverty that exists within communities. I think we all aspire to that, but we have to get a bit more real about the rhetoric that is being used and start looking at the body of work that shows the truth about this issue and life in Indigenous communities. It seems to me that the truth itself is going to be necessary as a prerequisite if we are going to bring about positive change. Most of that is going to have to come from communities. We are going to have to listen to what people are saying. I do not think we should be having contests about who is right or wrong when it affects so many people’s lives.

Another issue is that—and this is particular to Indigenous affairs in this country—Indigenous assertions are consistent with the whole principle of what universality of fair treatment means. I have to say that that is what white Australia claims to embody, but it does not necessarily always apply to Indigenous communities equally. That was shown...
again recently with the re-enactment of the freedom rides in New South Wales. There is a story about a young Aboriginal man who had his ticket for a seat on a CountryLink coach. He was trying to get on the coach and the bus driver denied him access to the bus because he was running late. A young non-Indigenous woman ran after the bus—she had a ticket as well—and the bus driver stopped and let her on. Thankfully, the freedom riders were there and they gave the man a lift to the nearest roadhouse. They caught up with the CountryLink coach and confronted the bus driver. The young girl that he picked up stood up for the young Aboriginal man. The bus driver told her that she ought to button her lip. In the end she was thrown off the bus and the young Aboriginal guy was not allowed on either. The point is that we have to recognise that there are some issues that really make it difficult out there to get some of the services provided and to get change brought about.

Finally, if we are talking about fairness in relation to universality, the government cannot continue to ignore what is, I think, the No. 1 priority—that is, the appalling health circumstances in communities, particularly the high mortality rates. It seems to me that the investment of new levels of resources is required. If we are to bring the health of Indigenous Australians up to par with the rest of the nation, there is an opportunity to do that come the May budget—and I think it is pertinent that we are dealing with this bill at this particular time.

The second reading amendment that has been put forward by Senator Bartlett on behalf of the Australian Democrats highlights some of the chaos and confusion that exists on the ground. The government has taken the credit for the Murdi Paaki COAG trial which has been running successfully in my home state of New South Wales. It was conveniently rebranded as a shared responsibility agreement towards the end of last year, not recognising or not acknowledging that most of the good work was done by regional councils themselves. Certainly from my experience right across the country, where Indigenous coordination centres are being established, the regional councillors are working side by side with officers within the ICC. The regional councillors are the ones providing their expertise and the opportunity for introduction to communities and they are the ones making sure that the best comes out of this process. I do not bother too much about the board of commissioners, given some of its behaviour over recent times, but the regional councils and councillors deserve better treatment in this process.

This second reading amendment is really designed to try to pick up some of the issues there and to get an undertaking from the government that they are serious about these issues. I am glad to see the Minister for Immigration and Multicultural and Indigenous Affairs here. I know that she has a commitment to this issue and I know that she has been speaking to Indigenous members in the community as well as the new NIC. All of them have their particular views, and I hope that they are able to convince her of some of the things that need to be done and need to change in the way that these things are being pushed forward.

Most of all, whilst the government talks about any new structure that might arise from initiatives from within communities, there will be a need for support. We got conflicting ideas in the Senate select committee process, some from government saying that there would not be any funding and others from government saying that there definitely would be funding. So we still do not know whether the government is going to come on side and support those councils or communities across the country that do create positive initiatives.
I commend this second reading amendment to the Senate. I know that it was circulated late, and I can understand that the opposition may have some reservations about that. Given that they are apparently going to be supporting the government’s bill, I certainly encourage them to at least get an undertaking from the government that it will start to look at these issues—to make sure that the Senate sends a message that is loud and clear. I think that is the least that we can do. As I have indicated to Senator Carr, whilst it is a second-best option, the whole notion of regional councils being around for some time longer is something that I think is necessary as part of a transition process—but we will deal with that when the time comes.

Senator CARR (Victoria) (7.48 p.m.)—The opposition would like to place on the record our concern at amendments of this type being dropped on us without consultation and without an opportunity to consider them. I received this amendment just before the break. On this side of the chamber there was an agreement about a second reading amendment, which I thought was the appropriate way to deal with these questions. So I am disappointed that a proposition like this could be presented.

Individually, there is not one thing in the amendment that I would not find considerable merit in, but I do not like the way the amendment is expressed. I think it is clumsy and I think that there are provisions in the amendment that are unclear. I would have thought that you could have cleaned all of that up if there had been some talk. I understand that there is some concern about matters not coming back from the Clerk’s office, but this is not necessarily the best way to do business in this chamber. Unfortunately, we are now in a situation where we cannot adjourn this any further. I have consulted with my colleagues on the select committee, and each one of these points was covered in the Senate report. For that reason, we will not be opposing this second reading amendment. But I do say to you that we could have improved this amendment substantially if we had had an opportunity to discuss the matter with you.

The ACTING DEPUTY PRESIDENT (Senator Knowles)—The question is that the Australian Democrats’ second reading amendment moved by Senator Ridgeway be agreed to.

Question agreed to.

Original question, as amended, agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (7.51 p.m.)—I table a supplementary explanatory memorandum relating to the government amendment to be moved to this bill. The memorandum was circulated in the chamber on 9 March. I move government amendment (1) on sheet QB234:

(1) Schedule 4, item 67, page 91 (lines 2 and 3), omit “to a representative body under this Division”, substitute “to a person or body under this section”.

This amendment is very minor. It seeks to correct a drafting error in item 67 of schedule 4 of the bill, which amends section 203FE(3) of the Native Title Act. Section 203FE(3) provides for grants to persons or bodies. Item 67 seeks to allow for the provision of funding to persons or bodies without restricting the means of such funding to grants. That is consistent with other amendments made by the bill to the provisions of the Native Title Act. However, as currently drafted, the item refers to funding provided to representative bodies rather than to other
persons or bodies, and the amendment seeks to correct that error.

Senator CARR (Victoria) (7.52 p.m.)—The opposition will be supporting this government amendment.

Question agreed to.

Senator RIDGEWAY (New South Wales) (7.53 p.m.)—by leave—I move Democrat amendments (1) and (3) to (7) on sheet 4534:

(1) Clause 1, page 1 (line 7), after “Amendment”, insert “(Unfair Dismissal)”.

(2) Schedule 1, page 16 (after line 5), after subsection 151(1), insert:

(1A) The Minister’s power to give directions in accordance with subsection (1) is limited to giving directions in relation to the new functions transferred from ATSIC.

(3) Schedule 1, page 17 (after line 17), after item 118, insert:

118A After section 154

Insert:

154A Review by Administrative Appeals Tribunal

(1) An application may be made to the Administrative Appeals Tribunal for review of:

(a) a decision made by Indigenous Business Australia to refuse a housing loan from the New Housing Fund to an individual; or
(b) a decision made by Indigenous Business Australia to refuse a loan to an individual, a body corporate or an unincorporated body to enable the individual or body to engage in a business enterprise; or
(c) a decision made by Indigenous Business Australia to refuse to give a guarantee in respect of a housing loan from the New Housing Fund made or to be made to an individual; or
(d) a decision made by Indigenous Business Australia to refuse to give a guarantee in respect of a loan made or to be made to an individual, a body corporate or an unincorporated body, where the purpose of the loan is to enable the individual or body to engage in a business enterprise.

(2) Where Indigenous Business Australia notifies a person of a decision of a kind referred to in subsection (1), the notice shall include a statement to the effect that, subject to the Administrative Appeals Tribunal Act 1975, application may be made to the Administrative Appeals Tribunal for review of the decision by or on behalf of a person whose interests are affected by the decision.

(3) A failure to comply with subsection (2) in relation to a decision does not affect the validity of the decision.

(4) In this section:

decision made by Indigenous Business Australia means:

(a) a decision made by Indigenous Business Australia itself; or
(b) a decision made by a delegate of Indigenous Business Australia upon a reconsideration of a decision made by another delegate of Indigenous Business Australia.

(4) Schedule 2, item 1, page 61 (after line 34), after section 193Y, insert:

193YA All evaluations to apply test of no disadvantage to Indigenous programs

(1) Where the Office conducts programs of evaluation and audit in accordance with section 193Y, the Office must assess whether the funding of the program meets a no disadvantage test in relation to program administration arising from the transfer of ATSIC and ATSIS functions.

(2) For the purposes of this section, a no disadvantage test means that the program will not receive less funding as a result of the administrative changes arising from this transfer of functions.
mentioned in subsection (1) for a period of one year commencing on 1 July 2005.

(5) Schedule 4, item 23, page 83 (lines 4 and 5), omit the item, substitute:

23 Subsection 74(1A)

Repeal the subsection, substitute:

Inviting comments from Indigenous Advisory Committee and Indigenous expert on the Heritage Council

(1A) As soon as practicable after receiving a referral of a proposal to take an action, the Environment Minister must:

(a) inform the Indigenous Advisory Committee and the Indigenous expert on the Heritage Council; and

(b) invite the committee and Indigenous expert mentioned in paragraph (a) to give the Minister comments within 10 business days (measured in Canberra) on whether the proposed action is a controlled action;

if the Minister thinks that section 15B, 15C, 23, 24A, 26, 27A, 27B, 27C or 28 could be a controlling provision for the action because of the Indigenous heritage value of a National Heritage place or Commonwealth Heritage place.

Note 1: The Indigenous Advisory Committee is established by section 505A of the Environment Protection and Biodiversity Conservation Act 1999.

Note 2: The Indigenous expert on the Heritage Council is provided for by the Australian Heritage Council Act 2003.

Note 3: Subsections 15B(4), 15C(7) and (8) protect the National Heritage values of National Heritage places, to the extent that those values are Indigenous heritage values.

Note 4: Sections 23, 24A, 26, 27A, 27B, 27C and 28 protect the environment, which includes the heritage values of places. See the definition of environment in section 528.

(6) Schedule 4, item 34, page 85 (lines 4 to 7), omit subsection 203C(2), substitute:

(2) The Indigenous Land Corporation may, on behalf of the Commonwealth, provide funds to a representative body, by making a grant to the representative body or in any other way the Indigenous Land Corporation considers appropriate, from money appropriated by the Parliament.

I want to make a few comments about these amendments on behalf of the Australian Democrats. The Australian Democrats oppose this bill abolishing the Aboriginal and Torres Strait Islander Commission. However, we also propose numerous amendments in the alternative, given that we know that the opposition is likely to vote with the government to abolish ATSIC.

The first amendment essentially draws attention to the effect of the bill. It changes the title of the Aboriginal and Torres Strait Islander Commission Amendment Bill by putting in brackets the words ‘unfair dismissal’, because of the way in which this debate has occurred and, certainly, the lack of information or truth that has come forward in terms of work in this respect, particularly in relation to regional councils. We have moved this amendment because we think it ought to be made clear what the government’s agenda in Indigenous affairs really is. Again I say to Senator Carr, who is dealing with this bill for the opposition, that, whilst the actual amendments are being circulated at a late stage, they are ones that his office is well aware of—I am told that there have been discussions going on. Whilst there may have been delays in the Clerk’s office, it was certainly made clear what issues we were going
to put forward. I am sure he can talk about some of the technical aspects of that.

This proposal reflects something that I said last week in the debate on the opposition’s second reading amendment—that is, that the government are asking us to close our eyes while they abolish Indigenous affairs and Indigenous people. This government are already the first government since before the Whitlam government to not have a separate Indigenous affairs minister. It was clearly a precedent that they wanted to set out and which they have built on in the more recent changes. Everything so far about the process is unfair, from the lack of consultation prior to the announcement to the cat-burglar style raid on ATSIC offices across the country in order to hide Indigenous artworks. Incidentally, we are still waiting for a response from the minister on how much it cost and where the money came from. I might even add to that a question about how much it cost to run all the advertisements in national newspapers across the country not suggesting anything specifically other than people might want to get legal advice.

There are also the constant misrepresentations about the performance of ATSIC, the chaos that is being overseen by government departments which is causing significant suffering to communities, and the refusal to acknowledge the legal status of the board of commissioners. I know that there are issues there, but a matter I raised during the Senate select committee process was the petty but malicious behaviour in relation to whether or not a commissioner’s vehicle should be re-registered. It seemed a nonsense that the government was going to be exposed to some sort of liability. There is also the blame placed on Indigenous people for their own circumstances and the confusion that reigns in the regions regarding how they are going to have their voices heard. Finally, there is the fact that none of the ministers and senior bureaucrats are going to be affected by these arrangements. It will be Indigenous people who will suffer from the empty rhetoric and utter neglect of yet another government—only this time the rhetoric is not just hot air; it is mostly deception.

We oppose the entirety of schedule 1—that is, the abolition of ATSIC. It is not so much about defending any board of commissioners; it is about getting the government to pay attention to its own report. The government spent $1.4 million in taxpayers’ money to go out and do consultations. They engaged three well-known Australians: Mr Hannaford; former senator Bob Collins; and Ms Jackie Huggins, a well-respected Indigenous woman and historian from Queensland. For all the work that they had done and the report that had been produced, all of those recommendations were ignored. So we oppose the abolition of ATSIC and suggest that the government go back. But I understand that they have got to this point and they are not going to do some miraculous U-turn. The proposal is put for the reasons that I have already set out—for all the reasons that have been set out by the committee, which the government continue to ignore.

As we stated in our supplementary comments, we do not believe that ATSIC’s flaws were fatal. In our opinion, the evidence to the committee showed first and foremost that most of the popular concerns about ATSIC are unfounded and that ATSIC was by and large very successful considering what it was up against in this government, particularly at the regional level. The Democrats believe that we ought to be listening to the report from back in 2003. No-one has ever pretended for a moment that ATSIC was perfect. The review report did make 67 recommendations for how to radically reform the body to put greater control in the hands of regions, just as the title of the report indicated. We believe that these should not be ignored. In
fact, our amendments and comments are broadly and sometimes specifically based on the recommendations and findings of that review.

We also state in our supplementary comments that the Democrats are of the opinion that ATSIC, even in a renewed form, is capable of being reformed along the lines recommended in the review report. We also say in our supplementary comments that the litany of discarded Indigenous affairs structures over the last 30 years to 40 years is a pattern which must cease. If you are serious about fixing this you cannot keep going through this cyclical political process so that in three years, five years or 10 years we start replacing the structures that are there and then saying that they have failed—it is a nonsense to suggest that. Everybody, irrespective of what their purpose is, needs to be given support to discharge their responsibility. If the body which is responsible for representing Indigenous people's interests in this country is changed every 10 years or so then it is inevitable that there will be confusion and chaos. Nobody taking that role will ever fully be respected and understood by Indigenous people and the end result is that there will be less effective delivery of outcomes.

A primary finding of the Senate committee regarding the bill before us was that an elected Indigenous national body should remain. The Democrats say that ATSIC should be reformed but should remain in existence. The Democrats recommendations in our supplementary comments and the amendments we propose in this debate are provisions which try to make the government's intrinsically unfair Indigenous affairs agenda fairer, more reflective of Indigenous wishes—and I am sure that there are many Indigenous people listening out there—and more administratively sound. Our fundamental position is that a new arrangement should be based around the recommendations of the consultation that has already occurred and that is shown in the ATSIC review report as a basic starting point.

Senator CARR (Victoria) (8.00 p.m.)—Senator Ridgeway has given us an expansive review of why he moved his amendments, which would have been helpful to have a little earlier in the piece. It is true that my office were advised that there were to be Democrat amendments. We were not, however, fortunate enough to actually see those amendments until a few minutes ago. So I must say it is again a disappointment to me that there was not a little bit more speed with which these matters were prepared so that we would have a chance to assess them more fully. In general terms, we will be supporting amendments (3) and (4) and we will oppose the rest. The guts of what I have to say is that some of Senator Ridgeway's amendments are essentially frivolous. To change the title of the bill might be a good device to make a speech; it is not necessarily helpful in terms of the argument overall. So I must say that to change the title of the bill to the 'unfair dismissal' bill is not necessarily in keeping with the finest traditions.

Senator Ridgeway—It's been done here before.

Senator CARR—It may well have been, but all I can say to you is that I have not been in the fortunate position in the past where I have had to provide advice to my colleagues on this matter. I can say to you that on this occasion I will provide advice to my colleagues, and my advice will be that we will not support that matter. The other matters that go to the no disadvantage test and the requirement for the environment minister and the like do have some merit to them. However, in the case of the no disadvantage test, I do not think that sufficient detail has actually been provided to allow us to support
that particular matter. However, we will be supporting the amendment regarding the environment minister’s Indigenous Advisory Committee. I am at a disadvantage to Senator Ridgeway in that I have not had time to consider these matters properly. Under normal circumstances we probably would have requested that the Senate move on to another bill to give us a chance to look at the amendments. That is one of the consequences of presenting material to the chamber in such a rushed manner. Given the way in which this whole bill has been addressed, I think that would probably be a device that the government would look upon and use to its advantage, so I will not be asking the chamber to take that course of action. In general, that is the position of the opposition.

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (8.04 p.m.)—I thank Senator Ridgeway for his contribution. This debate might be a classic example of where people agree on the position they want to get to—namely, better outcomes for Indigenous Australians—and just have furious fights about how to get there. That is an odd kind of way of saying that I assume we all agree on that much at least in this chamber—that any changes we make should be for the purposes of getting better outcomes for Indigenous Australians—but, nonetheless, we have a different path of choosing.

I have a similar view to Senator Carr in relation to Senator Ridgeway’s amendment (1), although, if Senator Carr were here when Susan Ryan was minister, he would have had the pleasure of seeing a bill named in a fashion that was rather inconsistent with its substance. I am referring to the Affirmative Action (Equal Opportunity for Women) Bill 1986, which was really an equal opportunity bill, but it suited the government at the time to call it something slightly more grandiose. I have never held that against Susan Ryan; I thought it was politically a smart move from her perspective. Nonetheless, it is quite obvious that we will not be supporting amendment (1). It would be no surprise to the senator that we will not support his opposition to schedule 1 either.

Under the bill, Indigenous Business Australia will take over the responsibility for ATSIC’s housing fund and Business Development Program. Under the act, the minister was able to give general directions to ATSIC about its operations, and the power in the bill to give directions to IBA reflects the expanded role of IBA. As to appeals to the AAT being available where IBA refuses business loans, I think the short form of my response is that these really should be commercial decisions; they are not necessarily of the character that one always believes should go before the AAT. The government have the view that it was not appropriate for the ATSIC Act to provide for an AAT review of ATSIC decisions to refuse business loans. It is believed there is a clear distinction between the types of decisions involved in providing housing loans and in providing business loans. We think that Indigenous Business Australia is the best place to make those final decisions.

I will now deal with the ‘no disadvantage’ amendment. That does seem to me to be one that assumes bad faith on behalf of the government, and I can assure you there is not that. I do not think there is bad faith anywhere in Australia with respect to better outcomes for Indigenous Australians. There is, as I say, disagreement—and often quite serious disagreement—about how to get there, but not necessarily bad faith. I am not expecting anything that works and works well to be changed but, if something is not working well and not delivering the outcomes, I hope you would agree, Senator Ridgeway,
that it should be changed and therefore we can get better outcomes.

As to the environmental issues, when the environment minister is required to decide whether a proposal might have a significant impact on the environment and should therefore be subject to an assessment, the environment minister must invite comment from relevant ministers and from the public. In the case of proposals which could impact on Indigenous heritage values, the environment minister must at the moment also invite comment from ATSIC. When the requirement to invite comments from ATSIC is removed, the requirement to invite comments from the public on whether any proposal may have a significant impact will continue, to ensure that Indigenous views can always be put forward. The requirement to invite comment from relevant ministers will ensure that whole-of-government views are obtained. So there will not be any change to the consultation requirements in undertaking a detailed environmental assessment of a proposal. The requirements will continue to ensure that Indigenous views can be put forward on proposals at the assessment and approval stage. So the short form of all of that, Senator Ridgeway, is the same as you heard from Senator Carr. The government will not be accepting your amendments.

I have confidence that IBA will be able to handle that without any difficulty. But I do not agree that the minister should take control of IBA’s other functions. That is the effect of what the government is putting forward. It is not just quarantining the minister’s powers to direct to the programs that were previous administered by ATSIC; it is also extending the power of the minister to direct to other programs that are currently run by IBA. That is an important point when you consider how IBA is established as, if you like, a quasi-government corporation. It essentially means that the minister’s control over ex-ATSIC functions is being not only transferred to IBA but also transferred and extended to all of their programs and all of their activities. They were not having any problems prior to these changes, yet this is the result.

I ask the minister what the justification for that is. The select committee was not able to get any sufficient answer, or any answer at all, about why those changes are occurring. It seems to me to be not necessary and dangerous to the stability and independence of Indigenous Business Australia. The government says that the directions are only general directions, but it can mean anything really. Just because the minister cannot say, ‘Give this personal loan,’ or ‘Do not make a personal loan to this particular business,’ it does not mean that the minister’s directions will have a negligible impact. Indeed, if they did not have an impact the minister would not
want the powers in the first place and she probably would not mind supporting that amendment of ours.

The least the government can do is provide an answer or explanation about why that shift or that extension of the minister’s powers of direction to other programs that have previously had no control is occurring. It goes to the question of the prudent decision making of IBA. I raised the question of personal liability of IBA directors. I do not know whether the minister can respond to that. Does she have any legal view or has any legal advice been provided to her, given that her senior officers were made aware of this particular issue during the Senate select committee process, about whether or not the minister becomes liable as a result of these changes because of her power to intervene in decisions that are taken by directors in the normal manner of any director across the country operating under Corporations Law?

It is an important issue, because it compromises a corporation that has run well. No one has really given thought to that particular question. If I were the minister or certainly if I were in government I would want to know whether or not I had a personal liability. If IBA makes some decisions based on a direction given by the minister and it goes badly then surely it must also mean that, in the way that links are put together in the chain, the minister must have some direct legal obligation as a result. So I ask the minister whether or not she has a view on that, whether she has been given any legal advice and whether or not it compromises the capacity of IBA as a corporation to operate like any other corporation and make prudent decisions under the Corporations Law according to standards that apply to any company in this country.

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (8.13 p.m.)—Just by way of a general response, Senator Ridgeway, I do not have a specific and detailed response to the proposition you have just put. But can I say generally that, if the minister responsible for ATSIC had a general intervention power—and I have not heard it argued that that has been used inappropriately—then, under the same circumstances, it is feasible for other ministers now responsible for portions of ATSIC to have a similar general directions power. You would be aware that, in the time that I have had this job, I have used the general directions power sometimes. I may indeed have to use it again. That is all that is expected.

These are difficult issues to decide in a political sense because, when you shift something into one department, that minister has to take responsibility for that. There is, understandably, a question about the degree to which the minister can have any say in that area. But, analogous to the general power to give directions, I now have that with respect to ATSIC. Just as a small correction, it would not be me that has the power; it would be the Minister for Employment and Workplace Relations.

Senator NETTLE (New South Wales) (8.15 p.m.)—I just want to indicate that, as with the second reading amendment put forward by the Democrats, the Australian Greens will be supporting these amendments.

The TEMPORARY CHAIRMAN (Senator Knowles)—I propose to put these Democrat amendments separately. The question is that Democrat amendment (1) be agreed to.

Question negatived.

The TEMPORARY CHAIRMAN—The question is that Democrat amendment (2) be agreed to.
Question agreed to.

The TEMPORARY CHAIRMAN—The question is that Democrat amendment (3) be agreed to.

Question agreed to.

The TEMPORARY CHAIRMAN—The question is that Democrat amendment (4) be agreed to.

Question negatived.

The TEMPORARY CHAIRMAN—The question is that Democrat amendment (5) be agreed to.

Question agreed to.

The TEMPORARY CHAIRMAN—The question is that Democrat amendment (6) be agreed to.

Question negatived.

Senator RIDGEWAY (New South Wales) (8.17 p.m.)—The Democrats oppose schedule 1 in the following terms:

(2) Schedule 1, page 3 (line 2) to page 57 (line 21), TO BE OPPOSED.

The amendment itself is pretty self-explanatory, so I will not go into detail. The arguments that I have put up and certainly the second reading amendment as well as the amendments that have just been dealt with in committee really go to the question of whether or not this bill ought to be supported, particularly since the end consequence is the abolition of ATSIC rather than reform. We put the amendment forward for the reasons outlined previously.

The TEMPORARY CHAIRMAN (Senator Knowles)—The question is that schedule 1 stand as printed.

Question agreed to.

Senator CARR (Victoria) (8.18 p.m.)—by leave—I move opposition amendments (1) and (2) on sheet 4527:

(1) Clause 2, page 2 (table item 3), omit the table item, substitute:

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<tr>
<td>3A. Schedule 3A, items 1 and 2</td>
<td>The day on which this Act receives the Royal Assent.</td>
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<tr>
<td>3B. Schedule 3A, item 3</td>
<td>The day on which Schedules 1 and 2 to this Act commences.</td>
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(2) Page 79 (after line 23), after Schedule 3, insert:

Schedule 3A—Continuation of Regional Councils and saving arrangements

Aboriginal and Torres Strait Islander Act 1989

1 Division 4 of Part 3
Repeal the Division.

2 Paragraph 117(1)(b)
Omit “, subject to this Part, until the end of the next election period”, substitute “until 1 January 2006”.

3 At the end of section 127A
Add:

(4) Where a person was a Commissioner at any time between 1 March 2005 and ATSIC abolition day, that person is not eligible to be the Chairperson of a Regional Council during the period between ATSIC abolition day and 1 January 2006.

The purpose of these amendments is very straightforward. They are designed to extend the life of ATSIC regional councils for a period of six months. That is in line with recommendation 4.3 of the report of the Select Committee on the Administration of Indigenous Affairs, which was tabled last week. These amendments reflect the agreement that we had with the government prior to the government changing its position last Saturday week. They reflect, to the letter, the nature of the discussions that were held between the opposition and the government. They provide for the extension of time of six months for these councils and prevent existing ATSIC commissioners—they go to that point—from taking up chairs of regional
councils. That is the level of discussion that we were having with the government, so in my mind it is a clear indication of the extent of the agreement that we had with the government about these matters.

We think that it is essentially a practical measure to allow the regional councils to conclude the work that the government itself said needed to be done. In the original ATSIC abolition bill, there was a provision where the ATSIC commissioners would go immediately but the work of the commissioners would continue through to 30 June. That work is not complete. The government accepted the principle last year, it accepted the principle when we discussed this matter with it a fortnight ago, but it has now changed its position. It is clear to me what has happened here: the Prime Minister’s office has overruled the minister. As a consequence of that, the government has walked away from its commitment to support the extension of time for the regional councils, which have been regarded widely as having done a very good job in not just providing grassroots representation but facilitating consultation and, furthermore, in the case of Murdi Paaki, being able to carry through important negotiations which the government has hailed as being a measure of its success.

It cannot be said that these organisations have not worked well. It cannot be said that these organisations have not got work to continue. It cannot be said that there is not a proper function for these organisations. What can be said is that this government has walked away from an agreement because the Prime Minister’s office has overridden the minister. And precisely what I do say is that the work of these bodies ought to be allowed to conclude and ought be able to provide a basis for Indigenous people to get on with the transitional arrangements between the work that had been done under the old ATSIC and the new arrangements that the government is embarking upon. It is quite well understood that the opposition has grave reservations about the direction of Indigenous policy in this country. Essentially, it is becoming crystal clear now that the power relationship between the Commonwealth and Indigenous people is changing to the detriment of Indigenous people. Regional councils provide one little break, one little opportunity, to allow people on the ground to come together and try to face up to the new circumstances being imposed upon them by this government.

We had a clear situation before the Senate Select Committee on the Administration of Indigenous Affairs, when social justice commissioner Tom Calma said:

… the clear view of the regional councils that I have consulted is that they are not being involved in the current processes and that there has also been very little progress in advancing alternative regional structures for Indigenous people.

So, despite all the promises, despite all the rhetoric, despite all the claims being made by the government, the clear evidence coming before the Senate select committee was that the government had not fulfilled its obligations in this regard and that there needed to be more work done to allow those commitments to be entered into.

We see the situation with regard to Aboriginals in urban communities in, for example, Sydney and Brisbane as being very different from the situation in remote communities in the Kimberley. It may well be that there is a need for different social policy solutions to be advanced, but that has to be done on the basis of genuine consultation and treating people with respect. It cannot be done on the basis of the government picking and choosing whom it will deal with—to find the smallest group, the least powerful group, the least articulate group that it can find to get its way. It has to be done on the
basis of people having an opportunity to genuinely share in the discussion processes. We have a situation where, as Sam Jeffries, Chairman of Murdi Paaki Regional Council—one of the most successful regional councils, if you believe the government’s claims to this point—pointed out:

…the removal of the legislative framework—that is, for regional councils—will seriously inhibit having some formal or structured approach. We have got to maintain that as some sort of commonality, if I can call it that, to ensure that there is some formality about these arrangements, particularly in the partnership between Aboriginal people and government.

Labor’s proposal is to extend the life of the regional councils for a period of six months to allow those structures to be given an opportunity to adjust to the new environment. We say that it is important for stability in the regions, it is important to make sure that people have a genuine opportunity to participate. We also acknowledge the point that the government make. Their concern in discussions was that circumstances could be created by this amendment which ATSIC commissioners could take advantage of. Therefore, we have agreed with the proposition put to us by the government that there should be a prohibition on regional council chairs being replaced by former ATSIC commissioners.

That is the measure of the discussion that we had with the government. It is a measure of the way in which they have walked away from these undertakings. We are entitled to know why the Prime Minister has sought to override his minister on these matters. We are entitled to know what the government’s position is. I am led to the view, frankly, that the government have a longstanding hatred of organisations which have shown to be effective in representing Aboriginal views. I am of the view that the government are now on the public record of going right back to the beginning of the creation of ATSIC. The Minister for Aboriginal and Torres Strait Islander Affairs herself stated in the debate on ATSIC what her attitude was. She said that, from the very beginning, ATSIC was a mistake and that is why it was the most heavily amended bill at the time of its passage through the parliament.

The Liberal Party has had a longstanding policy commitment to move against Aboriginal organisations such as this. It has now of course found the need to justify that position by suggesting that people are not able to manage their own affairs. It has proposed criminality all too often now—we see a pattern emerging—and has sought to establish that in the mind of the public, and it has proposed constantly, whenever there is some bad news around for the government, that some act of corruption has occurred. It has tried to present to the public mind an image of Indigenous leadership which, in the government’s mind, is essentially inappropriate.

This is a measure that the government thought was good enough a couple of weeks ago, until the Prime Minister sought to impose his view and, if it was not the Prime Minister, perhaps it was someone else in the Prime Minister’s office or in the Prime Minister’s department. Here is a chance for the minister to tell us how the agreement came unstuck. I commend the amendments to the Senate.

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (8.26 p.m.)—I think Senator Carr will understand why I will bypass a large amount of what he said. He is entitled to put his view, but it is not one that I agree with. It is true that the government were having consultations with the opposition in relation to this matter. I would think that is to our credit that we keep an open mind and are happy to lis-
ten. It is true that we entertained the proposition that was put, but a whole-of-government decision has been made to not finally clinch the deal. The reason for that is pretty simple: what do you achieve by extending the life of regional councils for six months? If the reasoning for that is to give these councils time to adjust, my response is that they have had 12 months. They were told when their time would come. They have had 12 months to adjust, and another six months will not change that. I agree wholeheartedly with people who might want to nominate particular regional councils that have done particularly well, but there would be others that have not.

The situation is changing. The Labor Party is not suggesting that regional councils should stay there forever and a day. All we would achieve by accepting this amendment would be a further six months of confusion before we could move on, and move on we intend to do. We are working with the state and territory governments and consulting with the regional councils and a range of Indigenous organisations and communities about alternative arrangements. That is already happening on the ground.

Quite different forms of representation than regional councils could, and I believe will, emerge and that will not happen while you continue to have a non-Indigenous construct in place. I cannot accept, with all the good faith I have in a number of regional councillors, that they will spend the next six months, if one were to agree that they stay, negotiating themselves out of existence. We are determined to see that the arrangements that follow the abolition of regional councils actually reflect Indigenous preferences in that area, and they will be different from area to area. What is largely not understood here is that the government’s change and determination is to listen directly to communities, to really give Indigenous people on the ground a voice. I know a number of people believe that ATSIC did that. But the proof is there with the small proportion of Indigenous Australians who are entitled to vote voting. My advice is it was about 20 per cent. You could put it another way and say that Indigenous Australia voted with their feet and just did not think it was worth it or, worse still, did not even know about it.

Those are the reasons, Senator Carr. It would not cost the government much more to do it the way you are suggesting. It is not a question of cost at all. It is simply that a decision has been made, it was announced some time ago, there was good grace given to the councils to last for a further 12 months, and when that 12 months is up it is time to move on and create the space in which representative arrangements decided by Indigenous Australians in their particular areas will be able to grow.

Senator RIDGEWAY (New South Wales) (8.30 p.m.)—I also wish to speak on the amendments which were put forward by the ALP. I understand that they deal with retaining regional councils for six months and ensuring that a commissioner does not go back and take their seat at regional councillor level for those proposed six months. We will support these amendments because Indigenous affairs are in dire straits. However, the amendments are probably more of a face-saving exercise and are a poor substitute for being able to keep regional councils entirely and oppose the bill for the abolition and force the government to go back and deal with regional councils.

We think that supporting the extension of regional councils is important because of the critical role that they play on the ground. That came through fairly clearly from the Senate select committee process. In many respects regional councils have been the life-blood of communities right across the coun-
try. They have been treated unfairly and certainly with contempt in this whole debate not only in regional and remote areas but also in city locations. The stories that we have heard from regional council chairs and Indigenous organisations tend to provide anecdotal evidence that the administration of Indigenous affairs is in complete disarray.

I listened closely to what the minister had to say about listening deeply—I think that was the phrase she used about listening to Indigenous communities. I would applaud that if it meant something in reality, bearing in mind these stories that I have raised a few times. What would the minister say about the La Perouse community in Sydney having their renovations denied to them as a result of the new arrangements being put in place? What does she say about Indigenous women’s organisations running domestic violence programs being denied the premises that they had already been given by ATSIC? What would she say about the Indigenous Consumer Assistance Network fearing that they will lose already designated funds from the Aboriginal and Torres Strait Islander Education and Cultural Advancement Trust funds? Those three stories ought to be listened to. If the government are serious about promoting that sort of rhetoric, here is a practical example of being able to do something and here is the chance to do it.

I ask the minister to respond to one, two or even three of those stories—I am sure that there are many more right across the country—rather than stand up and say: ‘In the case of women’s programs like the MiiMi Mothers one, no, we are not listening. Where we have listened we have said no, and we will not be giving them the property. We will not be honouring the decision and we are certainly not listening to them on the ground doing the work that they are trying to do.’ You cannot have it both ways. If there are these examples on the ground and people have acted in good faith it seems to me that the quid pro quo, a shared responsibility agreement or even mutual obligation mean that the minister has to come back and honour the decisions that have been taken. But none of these situations has been adequately responded to by any minister or public servant.

We will support the extension only because the time will allow regional councils to continue the heroic work that they are doing out there. I congratulate them on the work they have done over a long period. They have somehow been lost in this, and they are the ones who have been cushioning the blow of the mainstreaming and putting in new arrangements and dealing with them as best they can. Marcia Ella-Duncan, the Chairperson of the Sydney Regional Council, was speaking to a very senior officer in the Office of Indigenous Policy Coordination, who asked, ‘What do regional chairs do?’ It seems insane. You have to scratch your head that these senior people have no clue about what regional council chairs do. Yet Marcia was prepared to work with them and is continuing to do that. The point is that, if we are talking about listening deeply and following the lead of people on the ground, it seems a little lost on me that when you get the practical example of the government wanting to do that then there are ample opportunities. I have named three and I am sure that there are many more across the country. That is another reason to retain regional councils.

On the one hand we are relying upon these new arrangements with Indigenous coordination centres to somehow fill the void and we have senior people who do not have a clue about what regional chairs of ATSIC do and, on the other hand, we rely upon ATSIC regional councils to be the cushion and to deal with the stories on the ground, and they are doing it without complaint. We under-acknowledge the work that they are doing.
out there. That is another reason why this sort of amendment ought to be taken on by the government.

I do not know how far talks on this particular issue got with the government; no-one was asking for anything permanent. It seemed to me to be a very sensible thing to put forward. Of course I am sure there are a thousand reasons why it could not be supported but the reality is that it is not the government or senators on these benches who suffer, it is the people out there in Indigenous communities who suffer—the ones who cannot get their stories heard and the ones who cannot apply pressure or do not get access to the halls of parliament to sit down and talk with people. I was glad to see the Aboriginal people who came across from Kalgoorlie last week. They drove a bus all the way from Kalgoorlie to Canberra and camped in a park down the road at their expense but they sent their message loud and clear about being left out of the process and not being asked for their views.

But it is about more than just those people; it is about people like them right across the country. I wonder whether the minister might be able to give some answers to the three stories I have mentioned or even just to one of them. I think it would be a positive and good faith message to reverse some of the decisions that have been taken essentially by bureaucrats who have applied different criteria to those about partnerships and listening to and following the lead of communities, which we were told about as part of the Senate select process. How can communities take the lead if they are being dictated to? How can they be told to turn up for consultation when it is no consultation at all but a briefing on changes to CDEP, for example?

We will be supporting these amendments; I suppose they are the second-best option. We would have preferred that the bill itself be opposed and that the government be forced down another path, but I recognise the political realities and that that is not going to occur. However, we also have to recognise that the big problem we have here in dealing with Indigenous affairs is that we spend most of our time on the riverbank, watching the babies float by. Every now and then we swim out into the middle of the river and try to recover what babies we can instead of going upstream in the first place to find out who is throwing them into the water and why. We are still not getting to that stage. All we are doing here is throwing another baby out into the middle of the river and the problem is that no-one is prepared to jump in off the riverbank and save it. We are all prepared to close our eyes and just let it wash on by.

**Senator VANSTONE** (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (8.38 p.m.)—Senator, I will respond briefly to your remarks. I understand how strongly you feel about this, and you are entitled to have strength of polemic in the way you put your views. But, when you attribute bad faith, I am sure you will not mind me saying that some of us take offence. There are different ways to achieve better outcomes. It is not true that your way necessarily is the best way. It is certainly not true at all that, because the government chooses a different way, it is indifferent to the plight of Indigenous Australians—which, with respect, is what I think you were trying to convey. So, if you will forgive me, I will be brief in my response to you.

While I was trying to get a response on the run to some other matters you have raised, you apparently asked about a trust fund that operates in Cape York. The advice I have is that the trust fund is preserved on exactly the same terms as before, so nothing
has changed in that context. If people are entitled to get a benefit under those terms, well and good; if they are not entitled to one, they do not. You may have advised that you think this particular group have advice that they are not getting a payment. That is not the advice that I have. In any event, the point is that the trust fund remains intact and on the same terms and for the same purposes as was the case previously.

Senator, you can always come into this place and refer to someone who has a different view or who says they were not consulted—and they may not have been. It is not possible to consult every individual person. But I will summarise by saying this: your argument is for more of the same. I look at what is happening and I do not think it is anywhere near good enough and I do not think more of the same is anywhere near acceptable.

Senator RIDGEWAY (New South Wales) (8.41 p.m.)—I want to respond to some of Senator Vanstone’s comments and I appreciate her response about taking offence. I would put on the record that this is not the first time I have raised this particular issue. If you want to you could see the amount of correspondence I have written to other government ministers. You may not be aware of the initiatives that have been taken on behalf of various groups and individuals. It is not a case of my coming in here and taking one approach to dealing with a particular issue. It needs to be made quite clear that efforts were made to talk to public servants, to raise these issues through the inquiry process and to write to the minister on a number of occasions, well before it ever got to this stage. I think it is unfortunate that your minders have not seen fit to provide you with a briefing on the full extent of how these issues have been dealt with. It is not just a case of saying that in the case of one, two or three stories they are being thrown on the table in the chamber to create some offence; it has not been done for that reason at all. It has been done because there has not been a proper response given to these people.

I do not mind mentioning the example of the MiiMi Mothers. I have had correspondence with PM&C, Family and Community Services and perhaps one other government department; MiiMi Mothers have none. They have never received any official correspondence, I am told, confirming the decision that has been taken, and I think they deserve a better response than the one they have had so far. I do not suggest for a moment that the minister is acting in bad faith; I am not suggesting that. I am saying, though, that there is a failure in the current process for government officials to respond to what is a legitimate issue. Even the question I raised earlier about the minister’s liability in relation to IBA, a separate matter again, I would have thought important enough to warrant some sort of response. I am not sure whether the committee even got a response, even though the question was taken on notice. However, the point is that, unless information is given, it is hard to establish whether the government is clear about what it intends to do—whether it has its hands on the wheel in a proper way and can respond to the particular issues.

My intention is to make sure that, where there are groups out there, they get treated fairly and appropriately in the process. Again I have brought the issue up because it has been raised a number of times before and, I dare say, even after tonight’s debate is over I will raise it again. The reason for that is that the communities concerned still have not received a satisfactory response. I thank the minister for her response in relation to Cape York and the Aboriginal and Torres Strait Islander Education and Cultural Advancement Trust funds; that was good to hear. The particular issue they were concerned about
was more the time frame within which the minister is required, as I understand it, to make some decision apparently about the 30-day direction. I do not know whether that is a big issue or not or one that is being imagined by the organisation concerned, but I am glad that the minister has given the response she has here in the chamber and it is on the record and I am sure that they will be satisfied with that. However, there are other issues out there.

I must ask the minister: if you think it is a case of doing things the same way they have been done, then why are none of the programs that were delivered by ATSIC being abolished? You are doing them exactly the same way. You are just shifting them from one place to another. Why? Because they have been successful. Perhaps the representative structures have not been successful but the programs themselves have. In that respect I think they do deserve to continue to be supported as long as communities have a capacity to respond to what those arrangements are. However, I am suggesting not so much looking at the way things have been done but making sure that they are done appropriately in conjunction with Indigenous people and, as the minister says, listening deeply and following the leadership. I think we have to have some runs on the board about where that is happening—not just the ones that the government can proclaim, through shared responsibility agreements, about successful outcomes.

We know that the problems are complex, and we know that they require a very comprehensive and often complicated response. That is shown nowhere more starkly than in the Mulan example of the shared responsibility agreement. It has not been signed. I know there is a larger one to come. However, it appalls me—and I am not suggesting for a moment that the minister is responsible—that in this day and age we still do not record instances of trachoma in Indigenous communities. So I ask the question: how do we expect to change things in communities if we have no idea of how many people we are talking about or the gravity of the situation itself? How do you allocate resources and establish what the programs or policies will be unless the data is there to show the enormity of the problem?

In that respect I ask the minister to look at those issues again. I am happy to talk to her separately on them if she is prepared to give an undertaking, because I would like to get a result on these things, if nothing else, before 30 June when I depart from this place. I would like to think there is an opportunity to fix these things, because they are successful programs and are working well. The women’s program in particular is one that pretty much grew out of the debate that took place over the past few years about violence in Indigenous communities. Examples such as that are worthy of support and reconsideration, and I will continue to push for that.

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (8.47 p.m.)—I will respond very briefly. Senator, with respect you have misunderstood the tenor of my remarks. I am not offended that you raised three particular examples about which you want an explanation, although it is a bit difficult to give you those answers on the run. It is more the latter part of your speech that caused some offence. However, I would not lie awake and shed a second of sleep over it. I have been offended by people before, and it is an—

Senator Carr—Occupational hazard.

Senator VANSTONE—occupational hazard, and one learns to live with it and internalise it, so I would not get too upset. As for programs you say have been successful
and have been transferred, there might be some that have done quite well, but there are others that have not. CDEP is a classic example. In your speech you said, ‘Going to a briefing isn’t consulting.’ With respect, I disagree. When you want to explain to people what you want to do and then provide some time to listen to their responses, you must, first up, offer a briefing on the changes that you want to make. I do not know anybody who thinks CDEP has worked perfectly around Australia. I doubt whether there is anyone who says it cannot be improved, and the minister is determined to see that.

As to the Mulan agreement, all I will say about that is that the community put forward a proposal, and that was, unfairly and stupidly, much maligned by some in this place and it became the infotainment of the week for the media. But the plain facts are that the Mulan proposition dealing with the health care of the kids during the day at school was put to us by the community. My advice is that they actually got the idea from the local Catholic school, which was putting in place the same arrangements. The rest of the community saw that that might have some benefit and put the proposition to us. I am advised that the proposition they put reflects the UN guidelines for dealing with trachoma. If that somehow smacks of a paternalistic government, I suppose we should be looking to get rid of the UN, and that is a ridiculous proposition. However, that is the advice I have at this point. The agreement may not be signed, but we and the community are very keen to get on with it. It is a case of listening to what individual communities want.

Senator CARR (Victoria) (8.50 p.m.)—I was not intending to say anything further on this matter, but since the minister has felt so aggravated about some remarks I have made about this agreement I think it is important to enlarge upon them. The minister said she was advised that this matter was the product of a local initiative. I am advised to the contrary. What occurred was that the senior officers of the department were approached by the local administrator, who had been seeking funding for a petrol bowser for some considerable time and had been rebuffed—

Senator Vanstone—By ATSIC, was that?

Senator CARR—I understand that whoever it was rebuffed them, and I also understand—and this is on the public record—that Mr Gibbons explained to the local administrator that, if they wanted to get some progress on this matter, they had better come up with some proposals that were close to what the government’s policy position was in regard to so-called mutual obligation. That was the nature of the conversation that occurred according to the public record on these matters—according to the statements that have been made by the local community. There was not universal support in the local community for it. Again, that is on the public record. It is all very convenient for the government to now say that this was an initiative of the locals, but that is not necessarily what the documents indicate.

My concern now and my concern at the time was how a primary health care issue like the treatment of trachoma could be reduced to such a facile arrangement under which you expect parents to sign up to the proposition that they did not look after their kids. That is the humiliation that you are trying to impose upon communities. And you are putting it to them in circumstances in which considerable actions have already been taken at a local level and considerable progress has been made by local communities. You put to them this demeaning proposition that if they want a petrol bowser then they have to acknowledge that they have not been washing their kids. That is an extraordinary proposition.
Furthermore, when we go into the detail of these shared responsibility agreements we note that the government in talking to itself in its internal documents says that these are not matters of discretionary expenditure; they go to core funding arrangements, such as cyclical maintenance on housing. What citizen in this country would be expected to barter away basic entitlements like housing or income support or other primary health care issues to meet an ideological obsession of the government whereby they are to commit publicly to the proposition that they do not look after their kids—or whatever it is that some bureaucrat in Canberra has determined is the flavour of the month!

That is what offended me. That is why I said it was paternalistic; that is why I said it was coercive. The evidence is crystal clear. The fact that it is not signed needs to be constantly drawn to the government’s attention, because it was the government that said that this was the big answer to the problems facing Indigenous communities: ‘We will impose these new arrangements but we will always tell people that Indigenous people know what is good for them and that they thought it up.’ We know that is not the case.

Senator NETTLE (New South Wales) (8.53 p.m.)—I indicate that the Australian Greens will be supporting these amendments.

Question agreed to.

Bill, as amended, agreed to.

Bill reported with amendments; report adopted.

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (8.55 p.m.)—I move:

That the bill be recommitted.

Question agreed to.

Senator Carr—They have already been dealt with.

Senator VANSTONE—I realise they have been. I am asking if we can go back. If we cannot, we will deal with them in the House of Representatives. I just think it might be convenient for the government to get an indication of other views across the board. I know the view of the Greens, I know your view and I know the view of the Democrats. But there are some Independents who might care to express a view. If you do not want to then we will not. It is clear that you have a majority.

Senator Carr—That is right. Is the government proposing that all the amendments be recommitted or just the bill? What motion do you want to divide on?

Senator VANSTONE—My proposal is that the vote on your amendments be recommitted. I think that would be helpful.

Senator Carr—Just on those regional councils’ issues?

Senator VANSTONE—Just your amendments.

Senator Carr—Okay.

Senator VANSTONE—I move:

That the bill be recommitted.

Question agreed to.

In Committee

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (8.57 p.m.)—I move:

That the amendments moved by Senator Carr and agreed to be reconsidered.

Question agreed to.

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

Question put.

The committee divided. [9.01 p.m.]
(The Chairman—Senator J.J. Hogg)

Ayes………… 31
Noes………… 30
Majority……… 1

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

NOES
Abetz, E. Barnett, G.
Brandis, G.H. Bishop, T.M.
Colbeck, R. Buckland, G.
Eggleston, A. * Chapman, H.G.P.
Ferguson, A.B. Coonan, H.L.
 Fifield, M.P. Ellison, C.M.
 Humphries, G. Ferris, J.M.
 Knowles, S.C. Johnston, D.
 Lightfoot, P.R. Lees, M.H.
 Mason, B.J. Macdonald, J.A.L.
 Minchin, N.H. McGauran, J.J.J.
 Payne, M.A. Patterson, K.C.
 Scullion, N.G. Santoro, S.
 Tierney, J.W. Tchen, T.
 Vanstone, A.E. Troeth, J.M.

PAIRS
Bolkus, N. Boswell, R.L.D.
Campbell, G. Calvert, P.H.
Couroy, S.M. Kemp, C.R.
Cook, P.F.S. Macdonald, I.

Denman, K.J. Hill, R.M.
Hutchins, S.P. Campbell, I.G.

* denotes teller

Question agreed to.

Bill, as amended, agreed to.

Bill reported with amendments; 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) (9.05 p.m.)—I move:

That this bill be now read a third time.

Question put.

The Senate divided. [9.10 p.m.]
(The Acting Deputy President—Senator P.M. Crossin)

Ayes………… 49
Noes………… 9
Majority……… 40

AYES
Barnett, G. Bishop, T.M.
Brandis, G.H. Buckland, G.
Carr, K.J. Chapman, H.G.P.
Colbeck, R. Collins, J.M.A.
Crossin, P.M. Eggleston, A. *
Ellison, C.M. Evans, C.V.
Faulkner, J.P. Ferguson, A.B.
Ferris, J.M. Fifield, M.P.
Forshaw, M.G. Heffernan, W.
Hogg, J.J. Humphries, G.
Johnston, D. Kirk, L.
Knowles, S.C. Lees, M.H.
Ludwig, J.W. Lundy, K.A.
Macdonald, J.A.L. Mackay, S.M.
Marshall, G. Mason, B.J.
McGauran, J.J.J. McLucas, J.E.
Minchin, N.H. Moore, C.
O’Brien, K.W.K. Patterson, K.C.
Payne, M.A. Ray, R.F.
Santoro, S. Scullion, N.G.
Sherry, N.J. Stephens, U.
Tchen, T. Tierney, J.W.
Troeth, J.M. Vanstone, A.E.
Senator ELLISON (Western Australia—Manager of Government Business in the Senate) (9.16 p.m.)—I move:

That intervening business be postponed till after consideration of government business order of the day relating to the Appropriation (Tsunami Financial Assistance) Bill 2004-2005 and a related bill.

Question agreed to.

BUSINESS
Rearrangement

Senator ELLISON (Western Australia—Manager of Government Business in the Senate) (9.16 p.m.)—I move:

That intervening business be postponed till after consideration of government business order of the day relating to the Appropriation (Tsunami Financial Assistance) Bill 2004-2005 and a related bill.

Question agreed to.

APPROPRIATION (TSUNAMI FINANCIAL ASSISTANCE) BILL 2004-2005

APPROPRIATION (TSUNAMI FINANCIAL ASSISTANCE AND AUSTRALIA-INDONESIA PARTNERSHIP) BILL 2004-2005

Second Reading

Debate resumed from 10 March, on motion by Senator Coonan:

That these bills be now read a second time.

Senator SHERRY (Tasmania) (9.16 p.m.)—In rising to speak on this legislation on behalf of the Labor opposition I firstly note that we are dealing with two bills. These two bills are necessary in order to meet our commitment to Indonesia and replenish and provide additional funding for tsunami relief. The Appropriation (Tsunami Financial Assistance and Australia-Indonesia Partnership) Bill 2004-2005 is for new outcomes and capital works and the Appropriation (Tsunami Financial Assistance) Bill 2004-2005 is for ordinary services. These are special appropriation bills, because the size of the financial commitment that is being made to Indonesia in response to the appalling tsunami disaster requires special legislation to pass the Parliament of Australia. The very size of the commitment means that assistance that has been given in respect of other natural disasters—which would not normally require two special appropriation bills—is dwarfed by this package.

I will commence my remarks by focusing on the human dimension of this disaster and why it is necessary to pass these special appropriation bills. Given that these are financial bills, before I get into the details of the finance that is being provided and the way it is being provided, I think it is important to touch on the overwhelming and devastating nature of the disaster that occurred on Boxing Day which, as I understand from last reports, left more than 286,000 people dead, 7,900 missing and more than 1.6 million persons displaced in a dozen countries around South-East Asia and eastern Africa. It is very difficult to find words to describe such a massive, overwhelming and appalling human disaster. I certainly hope that we never see another disaster of such magnitude at any time during my life. I would be very surprised if we did. I looked back at some of the great natural disasters of the last 100 years and the death tolls associated with them, and this disaster certainly seems to leave all in its unfortunate wake just by the sheer size of it.

As we know, Australians have responded overwhelmingly through donations and various types of fundraising that have occurred to provide assistance through a number of non-government organisations. Looking at a list we find that, as at 4 February, Australians had donated a total of $239.6 million. The Australian Red Cross raised $89 million;
CARE Australia, $25 million; Caritas Australia, $11 million; Oxfam Community Aid Abroad, $21 million; UNICEF Australia, $5 million; and World Vision Australia, some $74.3 million. They are the collections of moneys by the various aid organisations involved in accepting moneys. I would be very surprised if there were a member of the parliament who had not been to, and participated in, one of the fundraising activities around the country.

I will now turn to some of the financial details of the two appropriation bills we are considering. The Appropriation (Tsunami Financial Assistance and Australia-Indonesia Partnership) Bill 2004-2005 proposes $1 billion for the Australia-Indonesia Partnership for Reconstruction and Development. This proposal consists of two elements: $500 million of grants and $500 million in concessional financing. These two amounts are to be transferred into separate special accounts, keeping the funds separate for payment under specific terms. The grants are to be used for small-scale reconstruction for social and economic infrastructure, human resource development, scholarships, education and training programs, humanitarian relief, rehabilitation, recovery assistance and assistance with systems of governance, including systems of law and justice, economic and financial management and public management. The concessional financing will provide loans for the reconstruction and rehabilitation of major infrastructure. The terms provide for $500 million in interest-free financing for up to 40 years, with no repayment of principal before 10 years have elapsed.

The bill also requests approximately $1.5 million for the Department of Defence, the Health Insurance Commission and AusAID to cover costs associated with commencing the partnership, such as the fit-out of the partnership’s operation in Indonesia and some asset costs relating to the government’s emergency response to the tsunami. Loans and grants will be administered by two special accounts. The ministerial determinations establishing these accounts and setting out how moneys can be disbursed are subject to disallowance. It is important that the determinations set clear limits and that grants and loans are reported to parliament. It is expected that the moneys will be allocated over five years.

The Appropriation (Tsunami Financial Assistance) Bill 2004-2005 provides an appropriation to replenish funding for programs which were diverted to enable the emergency response. There is funding for AusAID of approximately $52.3 million for a wide range of responses: a civilian hospital in Banda Aceh which performed 20 to 30 operations a day; seven medical teams—five to Indonesia and one each to Sri Lanka and the Maldives; the delivery of four tonnes of medical supplies and eight tonnes of medical equipment to Sri Lanka; and the delivery of 2.5 million litres of water to Banda Aceh. For the Department of Defence there is some $50.5 million for a wide range of activities: a 90-bed hospital in Banda Aceh; water purification plants producing 4.7 million litres of clean water; and the clearing of 7,000 cubic metres of debris. The Department of Foreign Affairs and Trade is receiving $17.3 million for disaster victim identification, repatriating Australian remains, the return of personal effects, the handling of some 15,000 missing person inquiries and some 84,000 calls to the consular hotline. The Australian Federal Police are receiving approximately $4.9 million for disaster victim identification. The Department of Health and Ageing is receiving some $2.5 million for activities centring on assistance, such as health and psychological care for Australians injured in the tsunami and psychological care for Australian relatives of those injured or killed as a result of the tsunami. The Department of Family and Com-
munity Services is to receive some $2.4 million, also for assistance announced in December 2004 involving payments for transport and accommodation for those injured in the tsunami and payment to the next of kin for funeral costs of the deceased. The remaining agencies to receive funding in the bill are the Attorney-General’s Department, CrimTrac, the Health Insurance Commission and the National Blood Authority, with a combined total of approximately $1.4 million.

We are dealing with significant appropriations, but in rising to speak in the Senate on behalf of the Labor opposition I can indicate our very strong support for this legislation and our bipartisan role with the government. The details of the expenditure that is outlined are appropriate. As Australians we can be proud of the level of support that is being provided by this nation through these appropriations and by the donations that have been made to the agencies that I referred to earlier. It is a truly appalling natural disaster. I hope we do not see anything of a similar nature for a long, long time to come. I am sure all my colleagues in this place would have seen the dreadful pictures on the TV, which were captured by video, of the waves sweeping onto the various coastlines around South-East Asia and parts of the African coast and the Indian subcontinent. It was absolutely appalling—almost beyond any sort of comprehension. We have been asked to deal with this legislation tonight, and that is appropriate. I indicate Labor’s strong support for the approach taken by the government as reflected in these bills. I hope we can secure the passage of the legislation either this evening or, if we do not quite make it tonight, certainly tomorrow morning.

Senator BARTLETT (Queensland) (9.27 p.m.)—I spoke a couple of times last week on behalf of the Australian Democrats on matters relating to the tsunami financial assistance package and overseas aid and development assistance in general, so I will not go on at length tonight—I refer people to the Hansard from last week. It is appropriate to acknowledge our support for the government’s package of assistance, predominantly to Indonesia but also to other nations affected by what in any language is simply an incomprehensible and appalling disaster. At the time, and repeatedly since then, I and other Democrats have voiced our support for the scale of the assistance that the government is providing.

To really emphasise the scale of the disaster it should be mentioned again that there tends to be a focus on the death toll. That in itself is very hard to comprehend. But of course in most ways the measures we are talking about here tonight are for the survivors—for the living. They are for the millions that have to go on despite having been severely affected. All of those hundreds of thousands of people who have died would have had loved ones who would have survived and who have to continue living with that loss. As Senator Sherry mentioned, there are around 1.6 million who have been displaced by this disaster across the Indian Ocean region. That is an enormous number of people affected in such a fundamental way. Clearly there is an enormous amount of work to be done and it is going to take a very long time to rebuild. But, as we all know, these things can be done—they have to start with the confidence that the resources will be there to enable it to happen. For that reason, this sort of package is welcome.

The wide recognition that this package will receive, particularly the Australia-Indonesia partnership, should very significantly improve the relationship between Australia and Indonesia at the government level and the sense of connection between our two nations. I make that point not in any way to
suggest that there is some base sense of self-interest in providing this support but simply to make the obvious point that there is clearly benefit to Australia in providing appropriate and adequate levels of development assistance or disaster assistance to people who need it. Given the widespread recognition of that clear-cut fact, with this package of measures I would hope that we could recognise that the same benefits can be brought to our country and to others by increasing our development assistance more significantly, again particularly for countries in our own region, although not solely. There is a natural degree of benefit to our nation by providing support for others who need help, whether it is with immediate reconstruction following a disaster, broader economic development assistance or assistance with improving systems of governance. Of course, we provide other support in our region but clearly more is needed.

It is a strange quirk of our history and our place on the planet that, in most respects, psychologically a lot of Australians still feel connected to countries and cultures that are on the other side of the world rather than countries and nations that are closest to us. As we move into the next century, that is something that we will need to change and evolve in reasonably significant ways if we are going to reach our full potential as a nation. That is not to discard and discount our history and links with other countries further afield but to recognise the links we naturally share in being neighbours. There is still a significant lack of awareness on both sides—on the Australian side and on the side of other countries in our region, including Indonesia—about each other’s societies and cultures. That is something that needs to change, and measures like this can assist in that regard as well as, of course, with the more immediate and pressing need of providing assistance to people who in many cases have absolutely nothing.

The broader value of development assistance and aid should be recognised. The Democrats have been saying for many years that we must do much better with our aid and assistance, particularly to countries in our region. These bills are a welcome sign of our ability as a nation, and this government’s ability, to do better, as is the very significant amount of donations and contributions that the Australian community provided both as individuals and through the corporate sector. It is doable; we can improve our efforts.

The value and benefit to us and to the people we are trying to assist is clear to everybody. I hope this can be a starting point for a significant longer term improvement in the overall amount of assistance that Australia provides at a government level, a corporate level and an individual level to other countries in our region that are far less prosperous than Australia. Certainly Pacific island nations need ongoing assistance, as do many South-East Asian nations. I do not deny that other mechanisms that enable economic development can be equally, if not more, valuable to ensure prosperity for those countries, but that should not negate the benefit that development assistance and aid can provide.

There is one criticism I would make: the fact that half of the $1 billion package that is provided is in the form of a loan, which will increase Indonesia’s foreign debt. Obviously, it is a loan on very good conditions—a long-term interest-free loan—but it is nonetheless a loan. In the sense of the broader economic impact of that, I think it is a bit short of what we could reasonably have done.

The other aspect, which I pointed out in comments last week, is the need to ensure that the aid is spent effectively. If there is one thing that would dramatically damage the goodwill and the benefit that everyone can
see, both from this package and from the donations people have provided privately, it would be if people were given the impression down the track that the money was wasted. I asked some questions at estimates hearings about what mechanism would be put in place to determine the expenditure of the money and ensure that it is as effective as possible: what criteria would be used to ensure that it is not just a de facto way of subsidising Australian companies, for example. Those details have not been worked out yet, primarily because the Australia-Indonesia partnership group have not actually had a meeting yet, as I understand. I believe that will happen very soon—some time in the next week or so, but certainly by the end of this month. That is certainly important.

It is now close to three months since the disaster and certainly the time is now right to get on with working out the details of how this money is spent. It is a very important task to make sure that it is spent effectively and that we are able to demonstrate to the communities in Australia and the communities in Indonesia that it will be spent effectively to get maximum benefit—not just financial benefit but also all the other broader human benefits that can come from this package.

This is a welcome measure. I hope it serves as a sign of broader long-term improvement in this government’s efforts with aid to countries in our region and overseas development assistance more broadly. We certainly need to do better. I urge the government to do everything it can to ensure that the money is seen to be spent as effectively as possible. Millions of lives need to be rebuilt. Economies, societies, communities, environments and infrastructures need to be rebuilt. This will not happen just through money, but it sure will help. I join in not just supporting the appropriation of these funds but also, along with all in this chamber and Australian community, continuing to send sympathy to all of those who were affected by this disaster and support for them as they seek to rebuild their communities.

Senator STEPHENS (New South Wales) (9.37 p.m.)—I speak in this debate in support of the Appropriation (Tsunami Financial Assistance and Australia-Indonesia Partnership) Bill 2004-2005 and the associated Appropriation (Tsunami Financial Assistance) Bill 2004-2005, both of which represent an admirable attempt by the Australian government to respond to what is a very clear need for external assistance. In the province of Aceh especially, the tsunami has had an extraordinary financial impact. A preliminary damage and loss assessment prepared by international agencies including the World Bank has estimated that the total loss and damage as a result of the tsunami in Indonesia was $5.61 billion. In Aceh alone, the estimated value of the damage and loss amounts to a staggering 97 per cent of GDP.

The Australian government has pledged to a new body, the Australia-Indonesia Partnership for Reconstruction and Development, the single largest aid project ever undertaken by Australia. Parliament has legislated for a five-year aid partnership involving about $US400 million in soft loans and another $US400 million in project funding. According to the Treasurer, that funding will be added to the existing aid program. The result is that Indonesia will receive a total of $US1.4 billion in aid over five years from this country.

This is a huge contribution. With such a commitment from the Australian people comes the responsibility to ensure that a carefully coordinated plan is put in place so that our aid partnership with the Indonesian government proceeds justly, openly and in keeping with the generosity of spirit shown by the millions of Australians. It is particu-
larly our responsibility, as we have insisted that the Australian aid money be kept strictly separate from the Indonesian budget. We hear a lot about Indonesia’s reputation for corruption, but the fact that these funds are to be managed by a joint committee gives the Australian government unprecedented control over the decisions taken by the Indonesian government and therefore it is imperative that our handling of that responsibility is above reproach.

There are important questions to be asked about how this aid will be used to rebuild the province of Aceh. An article in today’s Financial Review indicates that plans to rebuild Aceh’s main hospital and establish a modern disaster response system across Indonesia are among the first projects under the tsunami aid package. These projects are estimated to be worth tens of millions of dollars each and are expected to be approved this week at ministerial discussions with Indonesia on how the historic package will be administered. It has been clear from the earliest generous outpouring of contributions that administering aid is far from a straightforward process. While there is no doubt whatever that these two big projects are very important, there is a danger that, in planning for big-budget infrastructure development, the needs of most local and rural communities can be overlooked.

There is a primary need for housing and shelter. According to the Red Cross, many of the 30,000 people evacuated from Banda Aceh and Medan during the first days after the tsunami want to return to their communities but are still confined to temporary settlements or, even worse, makeshift shelters where poor standards of sanitation put their health at risk. The sooner the people of Aceh can return to their home communities, the sooner normality can be restored. It would appear that the matter of evacuees has not yet been adequately addressed, and investigating this should be treated as a matter of urgency.

There is also an urgent need to generate enterprise, commerce and income creation. Seventy-eight per cent of the estimated damage and loss was to private assets and income. This included not only people’s houses and personal possessions, of course, but also income-generating possessions such as fishing boats and nets, agricultural crops, shopfronts and taxis. It must therefore be a priority to provide assistance for long-term projects aimed at generating enterprise and income creation as these will be critical to rebuilding Aceh and the health and wellbeing of the Acehnese people. We know from UNICEF that about 35,000 children have been orphaned as a result of the tsunami. There is an immediate need to identify these vulnerable children and design special programs for their rehabilitation.

It is vital that some of the aid is directed towards rebuilding the rural economy. The agricultural and fishing sectors, which were the backbone of the economies of the local communities most affected, were the hardest hit by the disaster. The loss in these districts made up one-third of the province’s total losses. Throughout Indonesia, civil society organisations were among the first to offer relief in the disaster areas after the earthquake and tsunami. Some of our aid money should go to supporting the participation of civil society and local people, who are working effectively to reach remote areas despite the lack of resources. Local communities, often working in a voluntary capacity, can ensure that aid is delivered on the ground where it is most needed.

Procedures must be put in place to ensure that funding commitments actually help the affected communities to revive their livelihoods and their environment. For example, the planning processes to redesign and re-
build coastal villages must not be allowed to be hijacked by local elite to the detriment of the poor and marginalised. A genuine partnership will implement a participatory planning process which will involve local community groups and NGOs and assure public control over all the processes. We will need to keep a close eye on the operations of this partnership, and transparency there is of the utmost importance.

Another aspect of the allocation of aid which cannot be ignored is the environmental one. Inappropriate development in areas where coral reefs and mangrove forests were destroyed could lead to ecological disaster, so it is essential that reconstruction plans and activities do not create negative environmental impacts. All large reconstruction activities should prepare an environmental impact statement covering both on-site impacts and the impact of materials to be used. The demand for materials for rebuilding will put enormous added pressure on, for example, Indonesia’s forests and limestone areas, so, wherever possible, ecological design should consider the use of local materials that cause minimal environmental impact. Building designs should be socially appropriate—based on designs created with and approved by local communities—and ecologically appropriate, with low energy use, responsible materials use and easy to cool with ventilation.

We read in the newspapers the concern of diplomatic and donor organisations about the fierce competition generated by prestigious projects in Aceh, such as building schools and roads. There is a shortage of staff with the necessary skills needed for the rebuilding, and aid groups are fiercely competing to recruit the available staff, with the result that the salaries of skilled workers are being unnaturally inflated. Many of these skilled workers are employed by the Indonesian government and, if aid groups poach them from there to undertake new aid funded projects, the drain in expertise simply shifts the skills shortage from one patch to another. It would be a tragedy to see a lot of the donated funds wasted through competition among the donors for the best projects or the most skilled workers.

We need to take a long-term approach and, adhering to the principles of capacity building, ensure that a considerable portion of the aid is provided to build the skills which will be of ongoing benefit to the Achenese people, rather than tacitly condoning quick fix solutions adopted to solve the most financially attractive projects. Long-term sustained cooperation and capacity building means, in part, that there needs to be a planned development of local skills so that local companies can increasingly assume responsibility for the development of infrastructure projects.

There is provision for some of the funding to be spent on scholarships for Indonesians to study public administration and governance in Australia. While this is reassuring, we also need to ward against the danger of having an overly strong Australian hand on the re-establishment of the economic infrastructure of Indonesia. In this context I would like to quote from Andrew Burrell’s article on the tsunami aid plan in today’s Financial Review. It said:

Australian companies will be awarded the bulk of the contracts under the five-year aid package of grants and concessional loans, although officials said Indonesian companies might also be included in the tendering process.

Companies with operations in Jakarta, including BlueScope Steel and Leighton Holdings subsidiary Thiess, have already begun reconstruction work in Aceh and are well placed to win lucrative contracts under Australia’s $1 billion aid package. Partnership means precisely that, and we need to guard against the possibility of Australian aid being targeted to help Australia as
much as our Indonesian partners. It is certainly the case that, in the past, aid has been used to assist Australian business—for example, in 1997 the IMF bailout of Indonesia was subject to the further opening up of markets, selling off state services and abolishing price subsidies. This resulted in more opportunities for Australian businesses, but how much did it actually improve the situation of the poor people in Indonesia?

We also need to be conscious of the problems with what is often called ‘tied aid’. This is a system by which recipient countries must purchase goods and services from donor nation companies. We know that Australian business has benefited from this set-up in the past—in fact, approximately 50 per cent of all Australian government contracts, worth $1.5 billion in 2002-03, go to only 10 companies. This seems to me to be putting the welfare of large corporations above the welfare of poor Indonesians. I know that this is not what ordinary Australians wanted when they dug deep to provide financial assistance; they wanted proper procedures put in place regarding procurement, auditing, reporting and pay standards.

Debate interrupted.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Moore)—Order! It being almost 9.50 p.m., I propose the question:

That the Senate do now adjourn.

Australian Arabic Council

Multicultural Affairs: Living in Harmony Program

Senator TCHEN (Victoria) (9.49 p.m.)—Twice last week, to my considerable chagrin, I ran out of speaking time on the adjournment. It was of course bad time management on my part. However, as in all things, it is from small setbacks that opportunities to do better come, so instead of having to rush through in two minutes I can now deal with the issue in some comfort. I really should thank Senator Carr for his unexpected show of respect for the standing orders last Wednesday night.

I will recap my topics of those two occasions. On the first one I spoke in commendation of the Australian Arabic Council and its 2004 media award. The AAC, as senators may recall, has its purposes in raising awareness about issues of concerns to the Arabic-Australian community and fostering better recognition of the contributions made by people of Arabic origin to the cultural, economic and social fabric of Australia. One of the vehicles it developed to realise these purposes is an annual media award, drawing attention to the role the media play in shaping public perception and the effects that media stereotyping may have on the forming of a multicultural society.

It is a very proactive and innovative approach—an approach more of our diverse background communities could give consideration to. The award was judged by a panel of distinguished experts in journalism and social sciences. They included the Chair of the Department of Social and Behavioural Sciences at the American University of Beirut, the social affairs editor of the Melbourne Age, a professor of journalism at the University of Technology, Sydney, and Ms Mary Kostakidis, who is not only the public face of SBS’s The World News but a fine professional journalist in her own right.

Nine news reports from the mainstream metropolitan printed media were short-listed. These ranged in content from reports of the Muslim community, in the suburbs of Sydney and elsewhere—and its largely successful efforts to integrate into Australian society and to oppose terrorism—to analyses of Middle East politics and diplomacy affecting Palestinian self-determination, including one
by Anthony Loewenstein in the *Sydney Morning Herald* entitled ‘Defiant Israel blind to what it has become’ and one by Tony Walker in the *Financial Review* entitled ‘Nice democracy plan, shame about the sponsor’.

Out of this selection, the panel presented the award to Ms Andra Jackson of the *Age* for an article on Aladdin Sisalem, a Palestinian asylum seeker, then the sole remaining resident of the temporary immigration detention centre on Manus Island. He had landed from a fishing boat on a Torres Strait island more than a year before, after leaving Kuwait two years earlier and travelling through South-East Asia.

I have no issue with Ms Jackson’s ability as a writer and a reporter. She writes well and describes her subject and her story graphically and comprehensively. I have great sympathy for Mr Sisalem, both for his people’s plight—which the world has either forgotten or would prefer to forget—and for his personal plight. I would, as every senator here would, help him to the best of my ability, consistent with Australia’s national interest. I simply find it difficult, and I expect it would be difficult for any open-minded and reasonably unbiased person, to see how an article about a failed asylum seeker—who could be of any cultural or religious background or any ethnicity, not just Arabic—has anything to do with the stated aims of the Australian Arabic Council. I find it difficult to understand how such a subject would better advance the understanding and sharing of the experience of Arabic Australians by their fellow Australians—the understanding that the AAC seeks—when other articles about Arabic and Muslim Australian communities or the perennial disaster of Palestinian displacement could be overlooked.

If the issue that the judging panel thought important and wanted to focus on was that of long-term settlement of refugees, particularly political and civil war displaced refugees, which certainly included the several millions of Palestinian people who had been denied settlement since 1949, then surely they should have considered some articles highlighting lives in refugee camps in Lebanon, Jordan, Kenya or Pakistan. Or perhaps they could have focused on the continuing, though frustratingly slow, international efforts to improve the lives and futures of those refugees. While doing so, they could have acknowledged, perhaps, the excellent contribution Australia has made and continues to make through its offshore humanitarian resettlement program—which, by the way, the mandatory detention policy, introduced with commendable foresight by the Labor government in 1991, is intended to protect and has successfully protected this internationally acknowledged important component of this international effort.

On the second occasion when I ran out of time last week, my topic was the Waverley Softball Association and its Harmony Day program, which gave much needed community support to the Sudanese and Somali communities. These communities make commendable efforts through self-help in their desire for their families, who are still waiting in hope in crowded refugee camps in Africa, to join them.

For the past seven years the humanitarian resettlement program has provided 12,000 places each year for such refugees to come to Australia. This year, the government has increased it to 13,000 places. In the year 2001-02, there were 6,732 new arrivals under this program. A total of 1,598, about 24 per cent, were from Sudan and 552 were from the Horn of Africa countries—the region identified by the UNHCR as most in need of relief. In 2002-03, there were 9,569 arrivals—3,516, or nearly 37 per cent, from Sudan and the Horn of Africa. In 2003-04, there were
10,335 arrivals—5,503, or 53 per cent, from Sudan and the Horn of Africa. Why the increase? Because places in the program previously taken by onshore applicants have been freed up by the government’s careful and steadfast management of problems that the unauthorised arrival of asylum seekers had posed.

Last week 56 refugees from East Africa arrived in Australia, the first contingent of a group of 336 that Australia is taking at the request of the UNHCR, because they are in acute need of resettlement. There are 336 human stories to be told here, and I suspect none would make the grade. Ms Jackson, of course, has gone on to greater scoops in the regrettable story of Cornelia Rau—an important contribution, I acknowledge, to investigative journalism. But, again, it seems to me that she ignored the real issues that underlie the sad commentary of our society: our society’s apathy about and neglect of mental health. I take this chance to commend the member for Gilmore, Mrs Joanna Gash, who moved a private member’s bill in the other chamber today on the need for urgent community action on mental health.

Lest it be thought that I dislike Ms Jackson, nothing could be further from the truth. I had never met her before briefly congratulating her on her win at the AAC function, nor had I been conscious of her writings before. But, as I said previously, I think of her as a fine writer and obviously a very capable reporter. The problem is with the judging panel, which lost sight of the object of the award and the purpose of the organisation which hosted the award, not with Ms Jackson.

In fact, the real problem is not even the panel of judges but our media culture and the values of that culture which our AAC panel of experts presumably believed that they must adhere to. I read a few weeks that Hunter S Thompson—the so-called king of gonzo journalism—had died, his passing treated to some well-moderated lamentation. I understand Thompson’s school of gonzo journalism means commentary reporting that masks character assassination with sarcasm, the lowest form of wit. It seems to me that the media culture that Ms Jackson and the AAC panel of experts pay obeisance to is less harmful than that. It is more akin to the Spike Milligan ‘Never mind the quality, feel the width!’ school of journalism. How else could they have missed the mark of what makes a news story important?

Taxation: Policy

Senator BUCKLAND (South Australia) (9.59 p.m.)—In question time last Thursday ministers were asked a couple of questions dealing with the high rate of tax increases that Australians are confronted with in comparison with comparable economies such as New Zealand, Britain and the US. These high tax increases, which will continue to confront Australians, are coming from a government that claims to care but shows no sign of caring for the less well off in our society. When you consider that a single person with no children and earning around $90,000 a year has had their tax increased by 1.4 per cent and a single person earning something like $35,000 and supporting two children has been confronted with a tax increase of 9 per cent, you have to ask yourself, ‘Have we got our system of taxation right?’

Of course the Prime Minister and the Treasurer will tell you it is fine but an increasing number of coalition members led by, as I understand it, Senator Fifield’s ginger group, think differently. Senator Fifield, of course, was Peter Costello’s economic adviser and he is a stalking horse for his former boss’s leadership bid. I do not know whether he will turn out to be as good as he was as an adviser but we will see. Despite
this outward appearance of loyalty, to the close observer there seems to be a bit of a split on the question of tax rates. But is the system of taxation in Australia right? Can the ginger group do anything to change it? More importantly, do they really have the courage to try? If it causes the less well off to be disadvantaged, it is not right. If it creates hardship for young families, it is not right. If it makes it more difficult for the aged and the sick in the community, it is not right either. If it has the capacity to widen the gap between the well off and the not so well off, it cannot be right; it is simply wrong.

Mr Deputy President, you might think that the disproportionate tax regime we have is bad enough. After all, the OECD’s annual review does not exactly paint a picture of Australia as being in step with its close allies, New Zealand, Britain and America, as I mentioned before. But indeed the future, when you take into account what the government intend to do when they get control of this chamber in July this year, becomes quite frightening. We have the Minister for Employment and Workplace Relations, Kevin Andrews, refusing to give Australian workers a guarantee that their wages will not be lowered as a result of the government’s proposed changes to the minimum wage arrangements. That should not come as a surprise. After all, the Howard government have not supported one increase in the minimum wage since they came to office in 1996. If the government had been able to have their way in 1996, 1.6 million Australian workers would have been at least $2,300 a year, or about $44 a week, worse off. That is $44 a week that middle income earners and lower wage earners cannot sustain.

The minister’s refusal to guarantee that no individual Australian worker’s wages will be lower as a result of the government’s draconian industrial relations proposals, which are to be forced through the Senate when the government gain the majority in this place after 1 July this year, will lead to severe hardship for many Australian families. So what Australian workers are confronted with is Australia’s highest taxing government who have now been exposed to be asleep at the wheel when they should be protecting the nation from the latest interest rate increases. When the going gets just a little tough the government put a sign on the door, saying, ‘We’re out to lunch.’

They only way the government can deal with the matter is to take a sledgehammer to the most vulnerable in our community: the workers. Getting the economy right by tackling the real issues is far too hard for the Treasurer. He is a man of straw, a good news Treasurer—nothing more—and his colleagues, or at least the ginger group, also think that is all he is. It seems that the member for Wentworth, Malcolm Turnbull, is part of the ginger group. He certainly does not appear to be a great supporter of Treasurer Peter Costello’s approach to things economic. Mr Turnbull is actually looking for a long-term solution to the country’s economic future; he is advocating tax reforms that provide relief for the poor—not unlike the Labor Party. Apparently Mr Turnbull does not understand the dangers of speaking against the Liberal leadership, as refreshing as that may be, but I am sure someone will take him aside shortly and explain that it is easier for them to kick workers than to come up with real solutions.

But until there is a change in Liberal Party leadership and until they start listening to their backbench, Australian workers and the less well off in the community will have a very hard time ahead of them. Unless there is change, Australia’s low and middle income earners can expect to be punished by the government and to become their punching bag as they try to get out of the economic mess they have given us. Sadly, there will
not only be high taxes that hurt low and middle income earners; there will also be nasty industrial relations laws that whack low- and middle-income earners a second time. That group of workers—the backbone of our nation—will have a second hit, with every likelihood of a further erosion of their incomes. It is no good the government saying that the Labor Party jumps to the tune of the unions. That is not so. But in recent times, whenever the business community has something to say, the government, like a puppet on a string, jumps to its demands. That is what we have seen, and that is why we are where we are, thanks to this very lazy, very backward-thinking government.

**Immigration: Detainees**

**Senator BARTLETT** (Queensland) (10.07 p.m.)—I want to speak tonight on a topic I have spoken about on a number of occasions in this place, and that is the importance of freedom. There has been a lot of talk about freedoms as a society and individual freedoms and defending those freedoms from attacks from terrorists and other acts of violence, and it is appropriate that we do that. But a growing number of people—including, I might say, people from all parties in this place—recognise that curtailing an individual’s freedom, actually locking them away, is very serious and not an action that should be taken without the strongest possible reasons. I speak in the context of the debate about mandatory detention of asylum seekers who arrive in Australia without a valid visa and also in the context of the very robust debate that has occurred over the last week or so in the United Kingdom parliament and over the last few months in that country’s community and courts.

You do not need to be a monarchist to recognise the strong links that Australia’s legal system and legal traditions have with the UK. A basic recognition of how fundamental it is to have one’s individual freedoms and freedoms as a community is something our two societies share. But it is important to contrast that debate and its results in the United Kingdom with the reality here in Australia. In the United Kingdom last year, just before Christmas, Britain’s highest court, the law lords, ruled by eight to one that a law passed by the UK parliament was not lawful. That law had allowed arbitrary detention of foreigners who were suspected of terrorism; obviously they had been assessed to be potentially of great risk to the safety of the community and, therefore, it was necessary to take the extreme step of detaining or imprisoning them without trial.

The law lords in a very strong judgment recognised, to quote one, that it was ‘antithetical to the instincts and traditions of the people of the United Kingdom’—as I said before, certainly in this context traditions which Australia shares. Another law lord, in assessing this law of the parliament of the UK, said:

The real threat to the life of the nation, in the sense of a people living in accordance with its traditional laws and political values, comes not from terrorism but from laws such as these. That is the true measure of what terrorism may achieve. It is for Parliament to decide whether to give the terrorists such a victory.

They are the extremely strong words that have come from judges of Britain’s highest court about a group of people who were assessed as potentially being significant security risks. In response, the UK parliament has been debating replacement laws for the last week or two. As other senators may know, these laws have bounced backwards and forwards between the two houses of the UK parliament. Even though the upper house in the UK does not have the same powers as the Senate here in Australia, it certainly still has the power to send bills back to the lower house for reconsideration. That was done
Monday, 14 March 2005       SENATE       125

with a lot of debate, a lot of public commentary and a lot of coverage in the media—far more fulsome coverage, it appeared to me, than we received here in Australia with our antiterrorist laws. The legislation, which was finally passed, still allowed the imposing of curfews and electronic tagging of people—that is, people who have not been charged—as well as putting conditions on people such as preventing them from meeting certain people and from travelling and restricting their access to the internet or telephone. So certainly the legislation restricts some of their freedoms but it falls short of imprisoning them without charge. I remind the Senate that this is about people who are suspected of being a severe safety risk to the people of the United Kingdom.

I put that by way of background to the reality here in Australia, where we have people who have been locked up—in one case now for over 6½ years—who clearly do not present any threat at all to the community regarding safety, security or health risks. They are not suspected nor have they been accused of any sort of crime. Certainly in some cases they have even indicated their desire and willingness to go to any other country, including the country they say they came from. But that has not been achievable, so they have just stayed locked up.

Contrast Australia, which will lock up asylum seekers who are not accused or suspected of any crime, risk or danger to the community for six years or more and counting, with the United Kingdom, whose courts recognise it as being unlawful to lock up without charge indefinitely people only suspected of being a terrorist risk. I think that sends a very strong message about how far out of whack our priorities are in Australia. I am not sure how we got to this stage—probably one step at a time—but where we have ended up is simply a disgrace. It is antithetical to our democratic traditions and that crucially important basic and very appropriately cherished right of individual freedom.

I would mention also another woman who has not been locked up for 6½ years; she has only been locked up for about 20 months. Maybe that does not seem too bad by comparison. But it is pretty poor when you start to think, ‘Oh, 20 months is not too bad; she’s still got a way to go before she gets to six years.’ This is a 74-year-old Vietnamese woman called Thi Tu Nguyen who has been detained on Christmas Island since 6 July, when she arrived with slightly more than 50 other asylum seekers. Eleven of those 50 have now been accepted as refugees; this woman has not been accepted. I met her, along with most of the other detainees on Christmas Island, towards the end of last year. She is a very small, frail woman who was born in 1931 in Vietnam and she would have gone through all sorts of experiences in Vietnam over the course of the 20th century. To think of her ending up imprisoned on Christmas Island for nearly two years now—and she clearly poses no threat or risk to the Australian community—is clearly not acceptable.

About now, because Western Australia is three hours behind us, people are demonstrating outside the detention centre near the airport in Perth. I think people drive past this centre all the time and do not realise it is there. That is where this woman now is. The Christmas Island centre is not the most pleasant place in the world, but it is certainly nicer than the very stark, small, cramped brick detention centre adjoining Perth airport, which is where this woman is now. She is the only female in that detention centre. She has been brought to Perth for medical treatment, and the local Vietnamese community has offered to provide her with accommodation in its Perth Buddhist temple. That has not been agreed to by the immigration minister. Again, I think it is an absurd situa-
tion where we have frail and ill 74-year-old women being locked up in a concrete jail with others who are visa overstayers and criminal deportees purely because that is what the law says and for no other reason. It is a ridiculous situation.

This woman is a bit like the matriarch of the group on Christmas Island. When I met her, I could see she was clearly suffering from her situation. It is a situation of suffering that should not be added to by her current circumstances. Of course, there are still others in detention. The people on Nauru have now been there for over 3½ years. They cannot go back to Iraq or Afghanistan at the moment, they will not be accepted by Australia and they are stuck there, languishing and suffering more and more with each passing day. This sort of situation is unacceptable. I support the calls of the member for Kooyong and many others for us to recognise that we have gone down the wrong path, to rule a line under it, to let this small number of long-term detainees go and to sort out a better way forward. Look at what the UK has recognised, even for its suspected terrorists; this is not appropriate for people who are a threat to no-one. It is time to change our way. (Time expired)

Tasmania: GST Revenue

Senator BARNETT (Tasmania) (10.17 p.m.)—I stand tonight to urge the Tasmanian government to use the current and next financial year’s $196 million GST revenue windfall to boost health spending, to cut taxes or to do both and to stand accountable for their action or inaction. I urge the state government to heed the recent warnings of the federal Treasurer, Peter Costello, to be more accountable for the rivers of gold flowing their way in the form of GST revenue. As former Prime Minister Paul Keating once said, never stand between a premier and a bucket of money. This is a rare occasion when I wholeheartedly agree with the sentiments of the former Prime Minister.

Since the GST was introduced in 2000, GST revenue to the states has increased by almost $11 billion to $35.2 billion this financial year. By 2007-08, projected GST revenue payable to the states will have reached $41.3 billion. That is an almost doubling of the revenue, and it all goes to the states—every cent of it. We well remember the Labor states kicking and screaming in the 1998 federal election, when they played politics with the GST and opposed it outright in the vain hope of getting Kim Beazley elected Prime Minister, despite the vague Beazley plan to roll back parts of the GST and therefore threaten revenue to the states. These same states are now modern day Scrooge McDucks, with their Treasury coffers bulging like giant money bins equipped with a diving board so the state premiers can indulge their overt tendency to hoard money for their own edification or, in Tasmania’s case, for the forthcoming state election. Yet each one of them would solemnly declare that the GST was like demon drink afflicting their fiscal morality, such is their hypocrisy.

This steep increase in GST funding has included a windfall that, between 2004 and 2008, will total almost $10 billion. That is almost $10 billion the states and territories will receive over and above what they would have received if Labor’s old, pre-GST tax system had remained in place beyond 2000. This revenue allegedly forms the basis for Labor’s mantra that the Howard government is the ‘greatest taxing government in history’. But the great lie of that allegation is that it fails to acknowledge that every cent of GST money is paid in buckets to the states for spending on hospitals, police, education et cetera and in return for the abolition of a range of state taxes, which was agreed to by the states in 1999. When the GST was introduced in 2000, the agreement involved the
states abolishing a range of indirect taxes, such as stamp duty on mortgages, leases and commercial conveyances. The states and territories signed up to it. They agreed, so I guess that by 1999, and after the GST election the year before, they had finally got the wink from their respective Treasury chiefs that they were onto a winner with GST revenue and it was now okay to put their hands out. The $10 billion windfall since 2003-04 is there to enable the states and territories to honour that pledge to abolish those indirect taxes.

This whole saga represents the big difference between Labor and the coalition. Under Treasurer Peter Costello, over the next four years the states will get almost $10 billion more than they would have got from a Beazley Labor government to spend on essential service providers such as police, teachers and nurses and to cut taxes. If these state taxes were abolished tomorrow or over the next four years, it would cost approximately $15 billion, but the states have a windfall approaching $10 billion, including almost $2 billion in 2004-05. Better still, they are onto a booming growth tax. There is every chance that the revenue figures I am using today will be out of date and superseded by bigger numbers before the year is out or soon after that. The states now have the capacity to abolish two-thirds of those taxes, and in the interests of consumers and small business they ought to honour the agreement and get on with the abolition and phase them out.

In the case of Tasmania, which traditionally has suffered unemployment rates higher than those in other states, the GST windfall could be used to start phasing out payroll tax, that great road block to job creation in Tasmania. As the saying goes, death and taxes are inevitable in this life, but for the life of me I cannot think of a more iniquitous, anti-community and antijobs tax than payroll tax. Payroll tax applies in all states. While there are exemptions for small business, Tasmania lags behind the other states in this regard. The impact of this tax is greater in Tasmania because we do not enjoy the sheer volume or diversity of commerce enjoyed in other states.

Over the past two financial years payroll tax collections in Tasmania initially jumped by 11 per cent, from $157 million to a forecast last year of $173 million for 2004-05. However, the state government’s mid-term budget report dated last December revised the payroll tax revenue forecast to $185 million, which means the increase over the past two years has now been almost 18 per cent. This is an obscene case of taxing employment. If the Tasmanian government is balking at cutting other taxes it could at least make a start on payroll tax. If the state government is simply going to keep its greedy fingers in the back pockets of Tasmanian taxpayers in order to hoard more booty for an election war chest then it is plainly double dipping: grabbing more cash from Tasmanian battlers than is needed when almost two-thirds of its entire income comes from the Australian government.

I note that the Labor states and the federal opposition regard Mr Costello as another Sheriff of Nottingham on the tax front but I say to the Labor Party: how can this be so when all the money is going back to the states at the rate of $35 billion this financial year, which is $2 billion a year more than what the states would have got under Labor?

In Tasmania, the Lennon state government is presiding over a health system in crisis, which puzzles many people when the government has so much money, including—I am reliably informed by my state Liberal colleagues—a state election war chest already approaching $400 million. No wonder, given the GST. Since the year 2000, total

CHAMBER
GST revenue to the Tasmanian government has increased from $988.1 million to $1.435 billion, or an increase of 45 per cent. The state started receiving more GST payments than it would have under the old system by 2003-04—although if you read the Tasmanian budget papers it actually claims the state is still getting less than what it received under the old tax system, which is either an untruth or an incompetent oversight. The state government has had two budgets in which to insert the correct information but they have conveniently overlooked it, so I approach their recent budget assertions with a degree of scepticism.

Between 2003-04 and 2007-08 the projected GST windfall to the Tasmanian government will reach $507.2 million more than total payments under Labor’s old tax system. Last financial year, this windfall totalled $69.5 million and in the current financial year it is $101 million. By 2007-08 it will reach $128.5 million a year, and that figure will keep growing because GST revenue growth mirrors the buoyant economy. It is a growth tax. As the economy grows, it grows, and so Australian living standards grow with it. The GST is actually our way of ensuring that battlers too can share in the gains of the nation but, in its utter confusion over fiscal policy, Labor will not have it.

The Tasmanian Labor government even claims that the GST is really its own money being rightfully returned to it. What rot. I point out to the Tasmanian government that it is being paid the highest per capita GST revenue of any state. In the last Commonwealth Grants Commission review, the Tasmanian government’s relative share on an equal per capita basis is put at 1.55 while New South Wales’s share is only 0.86 per capita, Victoria’s share is 0.87, Queensland’s share is 1.04, and South Australia’s share is 1.20. No wonder they envy Tasmania when our per capita share is the equivalent of $1.55 while the two bigger states are left with an equivalent payment of less than 90c.

Even last week the Premier of New South Wales, Bob Carr, was complaining about the arrangements. Only the Northern Territory is receiving more GST funding per capita than Tasmania.

Look at it from another direction. If Tasmania’s share of GST revenue were based purely on population numbers it would be in the order of 2.35 per cent. But to ensure the Tasmanian government can provide the same level of services as other states the Tasmanian government’s population share is weighted at 3.67 per cent of the GST cake.

The states should be made accountable for what they do with GST funding. That is the short and simple of it. I personally support regular benchmarking and key performance indicators for the states in their financial performance with discretionary expenditure. For instance, I believe the Tasmanian government should be subject to benchmarks in the field of health delivery in particular. It simply does not add up that the Tasmanian government is awash with GST windfall funds and yet we keep learning more about the health crisis, including inaction on mental health and disability services. Congratulations to the opposition health spokesman, Sue Napier, for making this point patently clear to the Tasmanian public. (Time expired)

Senate adjourned at 10.27 p.m.

DOCUMENTS
Tabling

The following documents were tabled by the Clerk:

Made following the commencement of the Legislative Instruments Act 2003 on 1 January 2005 [Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number]:

CHAMBER

Civil Aviation Act—

Civil Aviation Regulations—

Exemptions Nos—

CASA [F2005L00670]*.
CASA [F2005L00671]*.

Instruments Nos—

CASA EX07/2005 [F2005L00632]*.
CASA EX08/2005 [F2005L00667]*.
CASA 06/2005 [F2005L00673]*.

Civil Aviation Safety Regulations—

Airworthiness Directives—Part 103—

AD/B737/237—Passenger Cabin Conditioned Air Overhead Ducts [F2005L00582]*.
AD/B767/208—Nose Wheel Well Bulkhead Vertical Chords [F2005L00584]*.
AD/BEECH 200/55 Amdt 3—Fuselage Stringers 5 Through 11 [F2005L00587]*.
AD/BEECH 300/7 Amdt 1—Fuselage Stringers 5 Through 11 [F2005L00556]*.
AD/BELL 206/6 Amdt 35—Retirement Life—Fatigue Critical Components [F2005L00589]*.
AD/CESSNA 170/76—Flight Control System—2 [F2005L00664]*.
AD/CESSNA 180/86—Flight Control System [F2005L00666]*.
AD/CL-600/63—Life Limited Landing Gear Parts [F2005L00592]*.
AD/EMB-120/25 Amdt 3—Nacelle Structure [F2005L00596]*.

AD/S-62/3 Amdt 1—Tail Rotor Blades [F2005L00661]*.
AD/S-62/4 Amdt 1—Stabilizer and Tube Assemblies [F2005L00612]*.
AD/S-62/5 Amdt 1—Main Rotor Shaft [F2005L00614]*.
AD/S-62/6 Amdt 1—Main Gearbox Primary Servo Mechanism Supports [F2005L00615]*.
AD/S-62/7—Free Wheel Support [F2005L00616]*.
AD/S-62/9—Pylon Stabilizer Installation [F2005L00618]*.
AD/S-62/11—Main Rotor Brake Disc [F2005L00620]*.
AD/S-62/12—Main Rotor Blades [F2005L00621]*.

Customs Act—Tariff Concession Orders—

0413697 [F2005L00682]*.
0502850 [F2005L00663]*.


Financial Management and Accountability Act—

Adjustments of Appropriations on Change of Agency Functions—Directions Nos—

31 of 2004-2005 [F2005L00661]*.
32 of 2004-2005 [F2005L00680]*.

Net Appropriation Agreements for the—

Australian Bureau of Statistics [F2005L00677]*.
Department of Parliamentary Services [F2005L00641]*.

National Health Act—Determination HIB 02/2005 [F2005L00674]*.

Quarantine Act—Quarantine Amendment Proclamation 2005 (No. 1) [F2005L00630]*.

* Explanatory statement tabled with legislative instrument.
Indexed Lists of Files

The following document was tabled pursuant to the order of the Senate of 30 May 1996, as amended:

Indexed lists of departmental and agency files for the period 1 July to 31 December 2004—statement of compliance—Department of Veterans’ Affairs.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Aviation: Security
(Question No. 1)

Senator Brown asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 17 November 2004:

With reference to the announcement by the Minister on 23 August 2004 of a $48 million package to improve security within Australia’s regional airports:

(1) Is any of the money for this package coming from the air passenger ticket levy that was imposed in order to meet the entitlements of former Ansett employees.

(2) (a) How much money was raised by the levy; and (b) of this, how much has been paid to former Ansett employees.

(3) How much remains to be paid to former Ansett employees in order to fully meet their entitlements.

Senator Ian Campbell—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

Please note: responses to questions 2 (b) and (3) have been provided by the Department of Employment and Workplace Relations (DEWR).

(1) No.

(2) (a) $286.4 million. (b) Revenue collected through the Air Passenger Ticket Levy is paid into the Consolidated Revenue Fund to meet the costs of the Special Employee Entitlements Scheme for Ansett group employees (SEESA). DEWR advise that as at 27 January 2005 $380 million has been advanced to Ansett employees under SEESA.

(3) DEWR further advise that all terminated Ansett employees have received all their SEESA entitlements namely all unpaid wages, annual leave, long service leave, payment in lieu of notice and up to 8 weeks redundancy under SEESA. DEWR is unaware of the exact number, but have been advised by the Ansett administrators there are some ex-Ansett employees with an entitlement to redundancy payments in excess of the 8 weeks to which they are entitled to have been paid under SEESA. These entitlements are the responsibility of the Ansett administrators.

Employment and Workplace Relations: Advertising Campaign
(Question No. 115)

Senator Faulkner asked the Minister representing the Minister for Employment and Workplace Relations, upon notice, on 19 November 2004:

With reference to the proposed Mature Aged Workers—Increasing Participation Rates advertising campaign:

(1) For each of the financial years, 2003-04 and 2004-05: (a) what is the cost of this advertising campaign; and (b) what is the breakdown of these advertising costs for: (a) television (TV) placements; (b) radio placements; (c) newspaper placements; (d) printing and mail outs; and (e) research.

(2) What: (a) creative agency or agencies; and (b) research agency or agencies; have been engaged for the campaign.

(3) When will the campaign begin, and when is it planned to end.

(4) If there is a mail out planned, to whom will it be targeted and what database will be used to select addresses – the Australian Taxation Office database, the electoral database or other.
(5) (a) What appropriations will the department use to authorise any of the payments either committed to be made or proposed to be made as part of this advertising campaign; (b) will those appropriations be made in the 2003-04 or 2004-05 financial year; (c) will the appropriations relate to a departmental or administered item or the Advance to the Minister for Finance and Administration; and (d) if an appropriation relates to a departmental or administered item, what is the relevant line item in the relevant Portfolio Budget Statement for that item.

(6) Has a request been made of the Minister for Finance and Administration to issue a drawing right to pay out moneys for any part of the advertising campaign; if so: (a) what are the details of that request; and (b) against which particular appropriation is it requested that the money be paid.

(7) Has the Minister for Finance and Administration issued a drawing right as referred to in paragraph (6) above; if so, what are the details of that drawing right.

(8) Has an official or minister made a payment of public money or debited an amount against an appropriation in accordance with a drawing right issued by the Minister for Finance and Administration for any part of the advertising campaign.

Senator Abetz—The Minister for Employment and Workplace Relations has provided the following answer to the honourable senator’s question:

The Department did not undertake an advertising campaign in relation to Mature Aged Workers during 2003-04, and has no plans to do so during 2004-05.

However, the Department has placed one-off, non-campaign press advertisements in April 2004 to promote Job Network’s ‘Mature Age Month’; and again in October and November 2004 to advise mature aged job seekers about seminars and workshops being held as part of the Mature Aged Employment and Workplace Strategy.

The total cost of advertising associated with Mature Age Month was $7400. At 2 December 2004, $9348 had been spent on advertising associated with mature age workshops and seminars. Further one-off advertisements will be placed between December 2004 and February 2005 to promote seminars and workshops scheduled during this period.

This advertising has been placed by the Department through its media buyer, HMA Blaze.

Regional Services: National Equine and Livestock Centre

(Question No. 141)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 22 November 2004:

With reference to the grant of $6,000,000 for the National Equine and Livestock Centre project in Tamworth under the Regional Partnerships Programme:

(1) (a) What total funds have been paid to the Proponent; (b) if the funds were paid in one sum, on what date was the payment made; and (c) if the funds were paid in instalments, please identify instalment dates and amounts paid on each date.

(2) What is the name of the Proponent.

(3) What is the proponent’s business address.

(4) Will the Minister provide a full description of the project.

(5) On what date did the proponent first discuss the Regional Partnerships Programme funding application with the New England North West Area Consultative Committee.

(6) On what date was the application submitted to the Department.

(7) On what date did the department send a copy of the submitted application to the New England North West Area Consultative Committee for comment and recommendation.
(8) (a) On what date did the New England North West Area Consultative Committee provide the department with a response; and (b) what was the nature of the response.

(9) On what date did the Department commence assessment of the application to determine if it was suitable for Regional Partnerships funding.

(10) (a) What representations were received from the National Party candidate for New England for the 2004 federal election in respect to the project proposal; and (b) on what date(s) and in what form(s) were the representations made by the candidate.

(11) What referees were listed on the application.

(12) What project partners, if any, did the application identify.

(13) What funding did the application seek.

(14) (a) What cash contribution(s) from the proponent and/or project partners did the application identify; and (b) what was the status of the cash contribution(s) when the application was lodged with the Department.

(15) (a) What in-kind contribution(s) from the proponent and/or project partners did the application identify; and (b) what was the status of the in-kind contribution(s) when the application was lodged with the Department.

(16) What applications over the previous five years to Commonwealth, State or Local Governments were identified in the application for funding of the project.

(17) Did the application include a breakdown of various project cost items; if not, why not.

(18) What key milestones were noted in the project timetable that formed part of the application including a project start and completion dates.

(19) What project rationale was identified in the application.

(20) How did the project description align with its region’s identified priorities, including priorities identified by the New England North West Area Consultative Committee in its Strategic Regional Plan.

(21) Was a project plan and feasibility study attached to the application; if not, on what date(s) were these documents provided.

(22) (a) What evidence of community support was contained in the application; and (b) was a letter of support from the unsuccessful National Party candidate for New England for the 2004 Federal Election and/or Senator Sandy Macdonald attached to the application.

(23) What evidence was provided in the application demonstrating the project would be self-sustaining.

(24) Was an independent risk assessment of the proponent or the project or both based on information provided in the Regional Partnerships funding application; if so: (a) on what date was the independent assessment ordered; (b) who undertook it; (c) when was it completed; (d) what was its conclusion; (e) how much did it cost; and (f) can a copy of the Assessment Report be provided; if not, why not.

(25) If no independent risk assessment was undertaken, why not.

(26) With reference to additional requirements imposed on applicants for Regional Partnerships funding exceeding $250,000:

(a) Did the Proponent provide an outline of its management structure including full names, dates of birth, current residential addresses and driver’s licence numbers of relevant persons concerned with the project; if so, on what date; if not, why not.

(b) Did the Proponent provide audited profit and loss and balance sheet statements for the previous three financial years; if so, on what date; if not, why not.
(c) Did the Proponent provide an authorised statement of financial position; if so, on what date; if not, why not.

(d) Did the Proponent provide tax returns for the past three financial years; if so, on what date; if not, why not.

(e) Did the Proponent provide a business plan for the project, including:
   (i) a feasibility study,
   (ii) industry/data research,
   (iii) a three year cash flow projection for the project including assumptions used and sensitive factors in the projection,
   (iv) a market strategy including assumptions used,
   (v) a strengths, weaknesses, opportunities, threats (SWOT) analysis, and
   (vi) a full list of pecuniary interests relevant to the project.

(27) Did the initial funding application fully comply with Regional Partnerships Programme guidelines; if not, what elements of the application were non-compliant.

(28) (a) If applicable, on what date(s) was the application varied; and (b) in each case, how was the application varied.

(29) (a) On what date did the Department make a recommendation to the Minister; (b) what recommendation did the Department make; and (c) were any preliminary or draft recommendations referred to the Minister and/or discussed with his office; if so, what draft recommendations were referred and/or discussed.

(30) (a) On what occasions did the Minister and/or his office meet with the Proponent and/or supporters of the project; and (b) in respect to each occasion, can the Minister identify the date, duration, attendance and matters discussed.

(31) How did the Proponent address each of the matters of concern identified in the 2002 independent assessment of the proposed National Equine and Livestock Centre project by Professor John Chudleigh, including:
   (a) insufficient funding to complete the project;
   (b) over ambitious usage targets necessary to service debt;
   (c) lack of funds from the equine industry; and
   (d) no prospect of commercial viability.

(32) Did the Minister impose any unwritten conditions on the grant, including a requirement that the Member for New England step down from the Project Board and disassociate himself from the proposal.

(33) On what date was the funding application approved by the Minister.

(34) On what date(s) and in what form(s) did the Department and/or the Minister inform the proponent, the New England North West Area Consultative Committee, the Member for New England and the unsuccessful National Party candidate for New England for the 2004 Federal Election about the Minister’s funding approval.

(35) On what date did the Department and/or the Minister publicly announce the grant.

(36) Will the Minister provide a copy of the original Regional Partnerships Programme funding application, including attachments, and all subsequent variations; if not, why not.

(37) On what date did the Department commence negotiations with the Proponent on a funding agreement.
On what date was the funding agreement signed.

Will the Minister provide a copy of the funding agreement; if not, why not.

**Senator Ian Campbell**—The Minister for Transport and Regional services has provided the following answer to the honourable senator’s question:

1. (a) Nil. (b) N/A. (c) N/A.
2. Tamworth Regional Council.
3. 437 Peel St, Tamworth NSW 2340.
4. The project for the Australian Equine and Livestock Centre (AELC) is to establish a nationally significant multi-purpose equine and livestock venue for events and activities located in Tamworth. The AELC will enhance the sporting and exhibition facilities located at the Longyard Sports and Recreational Precinct in Tamworth and include the construction of a new facility including an indoor arena, public seating for 3,100 spectators with the capacity to increase to 5,000 seats in the future, stabling for 500 horses, truck parking and camping facilities for 212 vehicles. The project includes establishing a national administrative headquarters for the equine and livestock industry.
5. I am advised that the proponent has been working with the New England North West Area Consultative Committee (NENWACC) since May 2000 concerning the development of the Australian Equine and Livestock Centre Project. Discussion of an application for funding under Regional Partnerships commenced in June / July 2004.
7. 27 August 2004.
8. (a) 27 August 2004. (b) Under conventions accepted by successive governments, Ministers do not need to disclose advice they receive from their departments. Recommendations made by Area Consultative Committees (ACCs) are formative steps in the preparation of final advice and disclosure of them would disclose the content of the advice provided by my Department.
10. (a) Nil. (b) N/A.
11. The Department ceased assessing the application for funding of this project once it was made clear that the Government intended to fund it as an election commitment and that Regional Partnerships could be the vehicle for its delivery.
In accordance with procedures set up for the management of all election commitments nominated for funding under Regional Partnerships, the proponent will be asked to provide information so that the Department can ensure proper accountability and to identify and mitigate any risks to the Australian Government if funding for the project proceeds and include any findings in advice to the approving Minister.
As the original application is no longer being considered, it is not appropriate that its details be released.
12. to (16) See the answer to part (11).
17. Yes.
18. to (27) See the answer to part (11).
19. (a) N/A. (b) N/A.
20. See the answer to part (11).
21. (a) I am advised that meetings took place on the following dates: - 19 September 2001; 22 February 2002; 13 May 2004; 4 June 2004 and 21 September 2004. (b) No.
22. See answer to part (11).
(32) No.
(33) to (35) Funding was announced as an election commitment on 21 September 2004.
(36) See the answer to part (11).
(37) to (39) As at 31 December 2004, negotiations with the Proponent had not commenced

**Transport: Infrastructure**

(Question No. 181)

Senator Mark Bishop asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 17 December 2004:

For each of the past 5 years, what funds have been paid from Commonwealth programs to each State and Territory for urban public transport.

Senator Ian Campbell—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

The funding and management of Australian urban public transport services is primarily a State and local government responsibility. Nonetheless, the Australian Government seeks to work cooperatively with State, Territory and local governments to ensure that effective urban public passenger transport is an integral part of longer term transport planning.

Accordingly the Australian Government has focused its efforts in recent years on ensuring the conditions for strong economic growth are maintained, and on ensuring that our major road and rail links are capable of meeting the transport task, rather than providing specific urban public transport assistance. The Government’s AUSLINK programme is a major commitment to Australia’s freight and passenger task which in turn assists State, Territory and Local Governments to address urban public transport issues.

Consistent with its broader role, the Australian Government has committed $650,000 in funding to the Gold Coast Light Rail System feasibility study. Of this, $272,727 and $230,000 was paid in 2002-03 and 2003-04 respectively, with the remaining $147,273 (excluding GST) expected to be paid in 2004-05.

**Aviation: Air Safety**

(Question No. 182)

Senator Mark Bishop asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 17 December 2004:

(1) With reference to the table of aviation safety investigations shown on page 66 of the Department’s Annual Report for 2003-04: For the year 2003-04, what is the breakdown, by type, for both accidents and incidents notified; that is, mechanical failure, separation, weather etc..

(2) (a) How many charges were pressed against operators and pilots as the result of investigations into both accidents and incidents; and (b) What was the outcome in each case.

Senator Ian Campbell—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(1) The breakdown by type for aviation accidents and incidents notified to the Australian Transport Safety Bureau (ATSB) in 2003/2004 is itemised in Attachment 1 to this response.

(2) The ATSB is a ‘no blame’ safety investigator empowered under the Transport Safety Investigation Act 2003 (TSI Act) to bring charges against persons including operators and pilots only if a person misleads an investigation or if there is some other offence against the TSI Act. No charges of this nature have been laid to date.

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QUESTIONS ON NOTICE
The Civil Aviation Safety Authority (CASA) is the body that investigates and recommends prosecution for regulatory offences under other Commonwealth legislation, which may include in the context of an accident.

CASA investigations into apparent or alleged breaches of the Civil Aviation Act 1988 and Regulations are initiated independently of ATSB accident and incident investigations. Thus, CASA investigations may be initiated for a variety of reasons, not necessarily following, and not necessarily related to, an accident or incident investigated by the ATSB.

In 2003/2004, 15 matters were referred by CASA to the Director of Public Prosecutions. During that 12 month period, 20 prosecutions were finalised, of which 5 resulted in acquittals and 15 concluded in convictions.

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### QUESTIONS ON NOTICE

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<td>Wheels Up Landing</td>
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<td><strong>Total</strong></td>
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<td><strong>4404</strong></td>
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**Transport: Alice Springs to Darwin Railway**  
**Question No. 183**

**Senator Mark Bishop** asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 17 December 2004:

1. With reference to page 84 of the Department’s Annual Report 2003-04 and the claim that the Alice Springs to Darwin rail link ‘will return as much as $1.88 for every dollar spent on it’. Has that estimate been revised in the light of operating experience; if so, what was the result; if not, are there plans to do so.

2. What was the total cost of Commonwealth contributions by way of grants and loans for the project’s construction and operation.

3. (a) What assessment has been made of the financial performance of the railway in the first 6 months of operation, compared with projections; and (b) will the Minister provide a copy of that assessment; if not, why not.

**Senator Ian Campbell**—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

1. The figure was extracted from a 1999 analysis undertaken by Booz-Allen and Hamilton. We are not aware that this estimate has been revised, nor do we have any plans to do so.

2. The Australian Government is contributing up to $191.4 million to the project. The Australian Government has provided $178.9 million to date and committed another $12.5 million in stand-by...
financial support. The commitment is that the $12.5 million will be provided, if required, in two equal instalments in 2005-06 and 2006-07.

(3) (a) The NT Government is advised on a regular basis of the performance of the railway. The information is commercial-in-confidence. (b) The Department does not have a copy of that information.

Shipping: Containers and Port Access
(Question No. 190)

Senator Mark Bishop asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 17 December 2004:

(1) As part of its role of monitoring productivity on the waterfront, what information is available to the department and its agencies on the movement of containers to and from stevedores' facilities by rail and road, storage times, waiting times for delivery, storage costs and cancelled pick-up slots.

(2) What formal arrangements exist with the Australian Customs Service for monitoring the movement of containers through x-ray facilities, delays caused, costs and cancelled pick-up slots.

(3) What research has been conducted by the department and its agencies into access by road and rail at each Australian container port, particularly Port Botany.

(4) What consultation has been conducted with the New South Wales Government on improving port access by road and rail to Port Botany.

Senator Ian Campbell—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(1) The Bureau of Transport and Regional Economics (BTRE), reports on a key aspect of stevedoring productivity in its Waterline publication, the loading and unloading of containers on ships. The BTRE does not collect information on the movement of containers to and from stevedores' facilities by rail and road, storage times, waiting times for delivery, storage costs and cancelled pick-up slots.

The Australian Competition and Consumer Commission also monitors container stevedoring services. State port authorities and individual stevedoring firms are of course responsible for owning and operating port and stevedoring facilities.

(2) There are no formal arrangements between the Department of Transport and Regional Services (DOTARS) and the Australian Customs Service (ACS) for monitoring the movement of containers, as this is the responsibility of the ACS. The ACS has an officer seconded to DOTARS to provide relevant information and liaison on transport security, including on security matters concerning containers.

(3) The BTRE has a project titled “Improving land transport access for Australia’s capital city ports” in its current research programme. While the project is yet to commence, the attached extract of a presentation to the July 2004 AAPMA conference provides information on the past, current and targeted rail share of port freight for four major capital city ports, including Port Botany.

(4) DOTARS consulted with the New South Wales Department of Infrastructure, Planning and Natural Resources, the New South Wales Roads Traffic Authority and the Australian Rail Track Corporation in relation to determining the AusLink National Network and investment priorities for improving access to Port Botany.

Australian Government
Department of Transport and Regional Services
Bureau of Transport and Regional Economics
Capital city port freight—road will continue to dominate but growing rail share is targeted

QUESTIONS ON NOTICE
## QUESTIONS ON NOTICE

### Rail mode share‡, by port

<table>
<thead>
<tr>
<th>Port</th>
<th>Past</th>
<th>Current</th>
<th>Targets</th>
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</thead>
<tbody>
<tr>
<td>Fremantle</td>
<td>3%* [2002]</td>
<td>5%*</td>
<td>30%* [2013]</td>
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</tbody>
</table>

† percentage of port-related freight, measured in tonnes.
* percentage of containers handled through the port.
‡ share may be defined in terms of tonnage or TEUs.

### Aviation: Regional Aviation and Island Transport Services Report

(Question No. 241)

**Senator O’Brien** asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 22 December 2004:

1. Has the Department provided the Minister with advice on options for responding to the Report of the House of Representatives’ Standing Committee on Transport and Regional Services, Regional Aviation and Island Transport Services: Making Ends Meet, tabled on 1 December 2003.

2. Why has the Minister failed to deliver a formal response to this bi-partisan Report despite the passage of more than 12 months.

**Senator Ian Campbell**—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

1. Yes.

2. Circumstances in the aviation industry have changed rapidly over the past year, so the draft response to the Report has had to be reviewed. The Report remains under full and active consideration and my Department is working with relevant Agencies on appropriate recommendations for Government consideration.

### Aviation: Airports

(Question No. 243)

**Senator O’Brien** asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 22 December 2005:

1. On what date did Airservices Australia’s current review of pricing arrangements for airport control towers commence.

2. When will the review findings be announced.

3. What stakeholders have been consulted.

4. Has a draft report been presented to the Minister and/or his office; if so, on what date.

5. By airport, what subsidies were paid to airports under the scheme in the 2003-04 financial year.

**Senator Ian Campbell**—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

Airservices Australia has advised that:

1. Airservices Australia formally commenced a review of pricing arrangements for its regulated services – en route, terminal navigation (including towers), and aviation rescue and fire fighting (ARFF) - on 27 August 2003.

(2) The ACCC announced its final decision on Airservices Australia’s pricing proposal on 17 December 2004.

(3) Airservices Australia endeavoured to consult with all of its almost 3000 customers, the airports at which it provides or is planning to provide a service, and various Federal and State Government Ministers and Government Agencies.

To develop the review process and principles, Airservices Australia consulted with major airlines and industry representative bodies. These included: the International Air Transport Association (IATA), Qantas Airways, Board of Airline Representatives Australia (BARA), Virgin Blue, Singapore Airlines, Emirates Airlines, Japan Airlines, Air New Zealand, Regional Express, Australian Airports Association, Aircraft Owners and Operators Association (AOPA), Regional Aviation Association of Australia (RAAAA). Subsequently, all customers were directly advised of the review and invited to make submissions. Over 600 written responses were received from customers and other interested parties including councils, state and federal politicians.

In addition, the ACCC conducted its own consultation process and received several written submissions.

(4) Airservices Australia’s pricing proposal was placed on the public record on 12 August 2004 when it was submitted to the ACCC for its review. The ACCC’s final decision including detailed reasons was released on 17 December 2004 and is available on its website.

(5) In total, a $7m subsidy was paid to Airservices Australia in 2003-04 in respect of these locations:

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<th>Amount</th>
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<tr>
<td>Camden</td>
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<td>Coffs Harbour</td>
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<td>Tamworth</td>
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<td>Albury</td>
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<td>Maroochydore</td>
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<td>Jandakot</td>
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**National Christmas Tree**

(Question No. 256)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 23 December 2004:

(1) Is it the case that budget cuts forced the National Capital Authority to give the National Christmas Tree to the Government of the Australian Capital Territory; if not, what was the reason.

(2) On what date was the decision made to give the National Christmas Tree away.

(3) Which elected representatives were consulted on the decision to give the tree away.

(4) Who made the decision.
(5) On what date was the Minister informed.

(6) Is the Minister aware that a former Minister for Territories, Senator Ian Macdonald, said the significance of lighting the National Christmas Tree goes beyond Canberra and out to the entire nation, describing it as important in the ongoing quest to promote the National Capital as a warm and friendly place.

(7) Is the Minister aware that the Governor-General lit the tree in 2003 and said it symbolised the spirit of giving and encouraged Australians to help needy members of our community.

(8) On what date was the Governor-General informed that the National Christmas Tree would not be erected outside Parliament House in 2004.

(9) On what dates has the National Christmas Tree been lit in previous years.

Senator Ian Campbell—The Minister for Local Government, Territories and Roads, has provided the following answer to the honourable senator’s question.

(1) No. The Authority was not ‘forced’ to give the Christmas Tree to the Australian Capital Territory Government because of budget cuts.

In the 2004-05, Budget the Government provided $2million over four years for essential maintenance of assets. The maintenance costs were reallocated from the Authority’s existing programme under Output 2 promotion and awareness strategies, projects and services for the National Capital. In this context, the Authority was requested to consider partnership arrangements involving the ACT Government and the private sector.

The decision to transfer the Christmas Tree was part of those considerations by the Authority.

(2) In June 2004, the Authority agreed to pursue partnership arrangements to offset the installation costs for the National Christmas Tree.

(3) None by the Authority.

(4) The National Capital Authority.

(5) Minister Lloyd was not specifically informed by the Authority because he took responsibility for Local Government, Territories and Roads in July 2004 after the decision was made by the Authority.

(6) No.

(7) No.

(8) The Governor-General was not informed by the Authority.

(9) From 1997 to 2003, the National Christmas Tree has been lit in Federation Mall on the following dates:

3 December 1997
5 December 1998
4 December 1999
2 December 2000
8 December 2001
21 December 2002
4 December 2003

The National Christmas Tree was lit by the Australian Capital Territory Government in Civic on 4 December 2004.
Norfolk Island: Administrator  
(Question No. 274)  
Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 23 December 2004:  
(1) On what date: (a) was the appointment of the current Administrator of Norfolk Island announced; and (b) did the Administrator commence the appointment.  
(2) What is the term of the Administrator’s appointment.  
(3) Will the Minister provide details, by financial year, of the Administrator’s publicly-funded travel.  
(4) (a) On what dates has the Administrator provided formal Reports to the Minister; and (b) will the Minister provide copies of these Reports; if not, why not.  
Senator Ian Campbell—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:  
(1) (a) The appointment of the current Administrator of Norfolk Island was announced on 29 August 2003. (b) The Administrator commenced the appointment on 1 November 2003.  
(2) Administrators are appointed by the Governor-General on an ‘at pleasure’ basis.  
(3) Details of the current Administrator’s publicly-funded travel expenses are:  
• 2004-05 (YTD at 20 January 2005): $4,571  
• 2003-04: $16,322  
(4) (a) The Administrator provides formal Reports to the Minister on a monthly basis. (b) The Administrator’s reports are not generally available in order to protect the frankness of reporting.

Indian Ocean Territories: Administrator  
(Question No. 275)  
Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 23 December 2004:  
(1) On what date: (a) was the appointment of the current Administrator of the Indian Ocean Territories announced; and (b) did the Administrator commence the appointment.  
(2) What is the term of the Administrator’s appointment.  
(3) Will the Minister provide details, by financial year, of the Administrator’s publicly-funded travel.  
(4) (a) On what dates has the Administrator provided formal Reports to the Minister; and (b) will the Minister provide copies of these Reports; if not, why not.  
Senator Ian Campbell—The Minister for Local Government, Territories and Roads has provided the following answer to the honourable senator’s question:  
(1) (a) The current Administrator’s appointment was announced on 16 October 2003. (b) He commenced the appointment on 20 November 2003.  
(2) The term of the appointment is two years.  
(3) In 2003-04 total expenditure on the Administrator’s publicly funded travel was $6,724; and to date in 2004-05 it is $2,689.  
(4) Pursuant to his appointment on 20 November 2003, the Administrator is not required to provide formal Reports.
Regional and Rural Information and Data Program  
(Question No. 286)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 23 December 2004:

(a) What grants have been made under the Regional and Rural Information and Data program in each of the financial years 2002-03, 2003-04 and 2004-05 to date; and  
(b) for each project, will the Minister provide details of the amount of the grant, the name of the proponent and the start and finish dates.

Senator Ian Campbell—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(a) and (b)

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