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SITTING DAYS—2005

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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**: 103.9 FM
- **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—FOURTH 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
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 Nationals—Senator the Hon. Ronald Leslie Doyle Boswell
Deputy Leader of The Nationals—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
Nationals Whip—Senator Julian John James McGauran
Opposition Whips—Senators George Campbell, Linda Jean Kirk and Ruth Stephanie Webber
Australian Democrats Whip—Senator Andrew John Julian Bartlett

Printed by authority of the Senate
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(1) Chosen by the Parliament of Queensland to fill a casual vacancy vice Hon. John Joseph Heron, resigned.
(2) Chosen by the Parliament of Victoria to fill a casual vacancy vice Hon. Richard Kenneth Robert Alston, resigned.
(3) Term expires at close of day next preceding the polling day for the general election of members of the House of Representatives.

**PARTY ABBREVIATIONS**
AD—Australian Democrats; AG—Australian Greens; ALP—Australian Labor Party; CLP—Country Labor Party; FF—Family First Party; LP—Liberal Party of Australia; NATS—The Nationals

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

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<tr>
<td>Minister for Trade and Deputy Prime Minister</td>
<td>The Hon. Mark Anthony James Vaile MP</td>
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<tr>
<td>Treasurer</td>
<td>The Hon. Peter Howard Costello MP</td>
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<tr>
<td>Minister for Transport and Regional Services</td>
<td>The Hon. Warren Errol Truss MP</td>
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<td>Minister for Defence and Leader of the</td>
<td>Senator the Hon. Robert Murray Hill</td>
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<td>Minister for Foreign Affairs</td>
<td>The Hon. Alexander John Gosse Downer MP</td>
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<td>The Hon. Philip Maxwell Ruddock MP</td>
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<td>Leader of the Government in the Senate and</td>
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<td>Vice-President of the Executive Council</td>
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<td>and Deputy Leader of the House</td>
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<td>and Indigenous Affairs and Minister Assisting</td>
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<td>the Prime Minister for Indigenous Affairs</td>
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<td>Minister for Education, Science and Training</td>
<td>The Hon. Dr Brendan John Nelson MP</td>
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<td>Minister for the Environment and Heritage</td>
<td>Senator the Hon. Ian Gordon Campbell</td>
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*(The above ministers constitute the cabinet)*
Minister for Justice and Customs and Manager of Government Business in the Senate

Minister for Fisheries, Forestry and Conservation

Minister for the Arts and Sport

Minister for Human Services

Minister for Citizenship and Multicultural Affairs

Minister for Revenue and Assistant Treasurer

Special Minister of State

Minister for Vocational and Technical Education and Minister Assisting the Prime Minister

Minister for Ageing

Minister for Small Business and Tourism

Minister for Local Government, Territories and Roads

Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence

Minister for Workforce Participation

Parliamentary Secretary to the Minister for Finance and Administration

Parliamentary Secretary to the Minister for Industry, Tourism and Resources

Parliamentary Secretary to the Minister for Health and Ageing

Parliamentary Secretary to the Minister for Defence

Parliamentary Secretary (Trade)

Parliamentary Secretary (Foreign Affairs) and Parliamentary Secretary to the Minister for Immigration and Multicultural and Indigenous Affairs

Parliamentary Secretary to the Prime Minister

Parliamentary Secretary to the Treasurer

Parliamentary Secretary to the Minister for the Environment and Heritage

Parliamentary Secretary (Children and Youth Affairs)

Parliamentary Secretary to the Minister for Education, Science and Training

Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry

Senator the Hon. Christopher Martin Ellison

Senator the Hon. Ian Douglas Macdonald

Senator the Hon. Charles Roderick Kemp

The Hon. Joseph Benedict Hockey MP

The Hon. John Kenneth Cobb MP

The Hon. Malcolm Thomas Brough MP

Senator the Hon. Eric Abetz

The Hon. Gary Douglas Hardgrave MP

The Hon. Julie Isabel Bishop MP

The Hon. Frances Esther Bailey MP

The Hon. James Eric Lloyd MP

The Hon. De-Anne Margaret Kelly MP

The Hon. Peter Craig Dutton MP

The Hon. Dr Sharman Nancy Stone MP

The Hon. Warren George Entsch MP

The Hon. Christopher Maurice Pyne MP

The Hon. Teresa Gambaro MP

Senator the Hon. John Alexander Lindsay (Sandy) Macdonald

The Hon. Bruce Fredrick Billson MP

The Hon. Gary Roy Nairn MP

The Hon. Christopher John Pearce MP

The Hon. Gregory Andrew Hunt MP

The Hon. Sussan Penelope Ley MP

The Hon. Patrick Francis Farmer MP

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, Shadow Minister for Indigenous Affairs and Shadow Minister for Family and Community Services  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 Attorney-General  Nicola Louise Roxon MP
Shadow Minister for Industry, Infrastructure and Industrial Relations  Stephen Francis Smith MP
Shadow Minister for Foreign Affairs and Trade and Shadow Minister for International Security  Kevin Michael Rudd MP
Shadow Minister for Defence  Robert Bruce McClelland MP
Shadow Minister for Regional Development  The Hon. Simon Findlay Crean MP
Shadow Minister for Primary Industries, Resources, Forestry and Tourism  Martin John Ferguson MP
Shadow Minister for Environment and Heritage, Shadow Minister for Water and Deputy Manager of Opposition Business in the House  Anthony Norman Albanese MP
Shadow Minister for Housing, Shadow Minister for Urban Development and Shadow Minister for Local Government and Territories  Senator Kim John Carr
Shadow Minister for Public Accountability and Shadow Minister for Human Services  Kelvin John Thomson MP
Shadow Minister for Finance  Lindsay James Tanner MP
Shadow Minister for Superannuation and Intergenerational Finance and Shadow Minister for Banking and Financial Services  Senator the Hon. Nicholas John Sherry
Shadow Minister for Child Care, Shadow Minister for Youth and Shadow Minister for Women  Tanya Joan Plibersek MP
Shadow Minister for Employment and Workforce Participation and Shadow Minister for Corporate Governance and Responsibility  Senator Penelope Ying Yen Wong

(The above are shadow cabinet ministers)
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<tr>
<td>Shadow Minister for Consumer Affairs and</td>
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<td>Shadow Minister for Agriculture and Fisheries</td>
<td>Joel Andrew Fitzgibbon MP</td>
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<td>Shadow Assistant Treasurer, Shadow Minister for Revenue and Shadow Minister for Small</td>
<td>Senator Kerry Williams Kelso O’Brien</td>
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<td>Business and Competition</td>
<td>Senator Kate Alexandra Lundy</td>
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<td>Shadow Minister for Transport</td>
<td>The Hon. Archibald Ronald Bevis MP</td>
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<td>Shadow Minister for Sport and Recreation</td>
<td>Alan Peter Griffin MP</td>
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The PRESIDENT (Senator the Hon. Paul Calvert) took the chair at 9.30 am and read prayers.

BUSINESS

Rearrangement

Senator ELLISON (Western Australia—Minister for Justice and Customs) (9.31 am)—I move:

That consideration of the business before the Senate on the following days be interrupted at 5 pm, but not so as to interrupt a senator speaking, to enable senators to make their first speeches without any question before the chair, as follows:

(a) Wednesday, 10 August 2005—Senators Ronaldson, Fielding and Milne;
(b) Thursday, 11 August 2005—Senators Adams, Polley and Siewert;
(c) Tuesday, 16 August 2005—Senators Trood, Sterle and Joyce; and
(d) Thursday, 18 August 2005—Senators Nash, Wortley and Parry.

Question agreed to.

Rearrangement

Senator ELLISON (Western Australia—Minister for Justice and Customs) (9.31 am)—I move:

That government business notices of motion Nos 2 to 5 be postponed to a later hour.

Question agreed to.

TAX LAWS AMENDMENT (PERSONAL INCOME TAX REDUCTION) BILL 2005

Consideration of House of Representatives Message

Message received from the House of Representatives returning the Tax Laws Amendment (Personal Income Tax Reduction) Bill 2005, informing the Senate that the House has disagreed to the amendments made by the Senate, and requesting the reconsideration of those amendments.

Ordered that the message be considered in Committee of the Whole immediately.

Senator MINCHIN (South Australia—Minister for Finance and Administration) (9.32 am)—I move:

That the committee does not further insist on the Senate amendments disagreed to by the House of Representatives.

The bill we are considering is the bill which gives effect to the re-elected coalition government’s substantial reductions in personal income tax as provided for in the last budget. These have had a tortuous course through this parliament, as we are all well aware. This is in fact the second time that the Senate will have an opportunity to vote in favour of these tax cuts. May I say that it is entirely appropriate that the very first piece of legislation to be dealt with by this new Senate—the new Senate elected at the last federal election—should be this bill to give effect to the government’s 2005-06 budget tax cuts for all Australian taxpayers.

It is regrettable that it has to come before this new Senate. This tax cut legislation should have been adopted by the previous Senate given that it was a tax cut proposal put by the government in its first budget after the federal election—a proposal which was an integral part of our budget and is entirely consistent with our reform of the economy. It is an entirely responsible range of tax cuts to return to Australian taxpayers moneys which they have earned and which will provide the necessary stimulation and incentive to Australians that we believe they deserve.

As I say, it has been a period of extraordinary humiliation for those opposite in the way in which this matter has been dealt with. I have referred before to what has become known around this place as ‘the cock-up in the lockup’, when the Labor Party made the fateful decision to oppose these tax cuts. That led to the defeat of this legislation in the
previous Senate. It was fortunate indeed for millions of Australian taxpayers that the Labor Party did not seek to disallow the tax commissioner’s schedules which gave effect to these tax cuts. Therefore, all Australian taxpayers were able to benefit, in fact, from these tax cuts from 1 July. They have now had five weeks of enjoyment of those substantial tax cuts. That was only possible and the tax commissioner was only confident of putting into this place those schedules because of the expectation that the new Senate would indeed give effect to these tax cuts.

After a period of considerable confusion and humiliation on the other side, the amended bill has gone to the House of Representatives. The House of Representatives has rightly and properly rejected those amendments. I now seek to have this Senate not insist on these amendments that were disagreed to by the House of Representatives. These are, as I said, a vital part of the government’s economic reform plan. They are an entirely responsible part of our 2005-06 budget. We have debated at length the whys and wherefores of our tax proposals, why they are so important for Australians and why we do not believe that the alternative put up by the Labor Party is the right and proper course for Australia. These tax cuts are now in place. They are being received by Australians. I have every confidence that these bills will be agreed to by this new Senate. Therefore, I urge this committee not to insist on the Senate amendments disagreed to by the House of Representatives.

Senator SHERRY (Tasmania) (9.36 am)—I would like to make a few comments on behalf of the Labor Party on the message we have received from the House of Representatives. The one thing I would agree with Senator Minchin on is that it does appear that the bill is likely to be passed by the Senate given the new numbers.

Senator Boswell—Are you going to divide?

Senator SHERRY—I just heard an interjection by Senator Boswell. I will get to the National Party—the doormats of the government—their attitude to tax cuts and what they supposedly stand for in a moment.

Senator Boswell—Any publicity is good, as long as you spell our names right!

Senator SHERRY—Not on this issue, Senator Boswell. But we will get to the National Party in a moment—not in the same way that Senator Heffernan tries to get to you, though.

Senator Ferris interjecting—

Senator SHERRY—Another inane interjection from Senator Ferris! To come back to the tax cuts, again I disagree with Senator Minchin, who suggested that we feel humiliated. The Labor Party feel proud for standing up for low- and middle-income-earning Australians in the positive alternative that we presented to the Australian people, and I will get to some of the detail of that in a moment.

As I said, the tax cuts are now destined to pass the Senate, despite the fact that the economy and individual taxpayers would have benefited much more from Labor’s positive, constructive and fairer alternative, which we put to both the House of Representatives and the Senate and which found a majority in the Senate prior to 1 July. Senator Minchin referred to the budget and the prerogatives of government. He would be on much stronger ground if in fact the tax proposals in his argument had been presented before the election. If they had been an election commitment, he would be on stronger ground. They were not, however; and the tax proposals that were presented as a consequence of the budget had all the hallmarks of being cobbled together at the last minute. The Labor Party in the week following the budget put together and costed—and the
costings have never been challenged—a fairer alternative for the Australian people in respect of low- and middle-income earners.

Labor also believe that the government, in its cobbled together of its unfair tax proposals, squandered an opportunity to deliver a fairer and more internationally competitive tax system. The Howard-Costello government would like to pretend that the tax cuts represent real reform, but they do not. When tax reform is done correctly, it can add to wealth creation in this country. It can encourage work, and it can also act as a vehicle for fairness and aspiration. On both counts, in terms of fairness and adding to the growth of Australian wealth, Labor came to the conclusion that the government’s cobbled together tax package did not represent a solid package or attempt even to deal with these two fundamental issues, and Labor argued—and the Senate did accept this—that our package was superior to that put forward by the government.

Senator Minchin referred to ‘the cock-up in the lockup’. For those listening who are not familiar with ‘the lockup’—I am sure they are familiar with cock-ups!—we do not lock up senators or members of the opposition, at least not yet. The government might try that one on us at some point in time. No doubt, they would like to lock up members of the National Party at the moment in another context, and they might even try that on Senator Joyce, but again we will deal with that if it happens. The budget lockup is a process where some shadow ministers, including the Leader of the Opposition, Mr Beazley, and the shadow Treasurer, have the opportunity for the first time to examine hundreds of pages of budget detail and make a response on at least some of the major points presented in the budget. The Labor Party—that is, the 10 shadow ministers in the lockup—rightly took the view that the government’s tax package was fundamentally unfair, that the Labor Party would not support it and that we would present a positive and fairer alternative to the Australian people. As I said, I am proud, and the Labor Party are proud, to have stood and fought for what we believe is a fundamentally fairer approach.

The package that the government produced was about wealth redistribution, not wealth creation. As has been said, this was a Sheriff of Nottingham package: it massively redistributed tax cuts to the top and left the great mass of the work force out of the equation altogether. It squandered an opportunity to do something about participation. At certain times some of the government’s ministers lecture in the House of Representatives and the Senate about the three Ps, including participation. Labor’s package would have delivered a significant boost to the economy—the sort of boost that the Treasurer is constantly talking about in terms of participation. Also the Governor of the Reserve Bank, the OECD and the Business Council of Australia have said that our package was markedly superior in encouraging greater participation in the work force.

Labor acknowledge that marginal rates are too high across the board, especially for low- and middle-income earners. They were duded by the government’s approach. The government are lining up, in respect of industrial relations reform, to remove unfair dismissal laws altogether and also to mount an attack on the take-home pay of, particularly, low- and middle-income Australians when it comes to issues like penalty rates. They are about lowering wages and conditions of low- and middle-income earners. They have them in their sights. Also, the approach on the tax package reflected that, because the great bulk of Australian workers received a tax cut of only up to $6 a week. Labor believe that this is unfair. I do not know where the National Party are on this. They are certainly not in
Tasmania; they do not exist down there. You only have to look at the cost of filling up a tank of petrol to see that the $6 a week tax cut does not even match the cost of that.

What Labor has tried to do in its approach to tax is to encourage the movement from welfare to work, because there are still very high effective marginal tax rates—as high as 80c in the dollar for every additional dollar. There was no effort in the government’s package to deal with the effective marginal tax rates for low- and middle-income earners. We now have 9,000 pages in the tax act. Again, the government talks a lot about simplifying the tax system in its complexity, but we now have 9,000 pages in the tax act. So there is no real fundamental attempt at reform.

So what is the outcome? The outcome is that the burden on low- and middle-income earners in this country is rising; they are facing higher taxes than they faced in 1996. Even with the tax changes, the average tax rate for someone on average earnings will increase from 22.5 per cent to 22.7 per cent. The average tax rate for someone on half the average wage—that is, about $27,000—will increase from 12.9 per cent to 15.3 per cent. So what does it add up to? Someone on the average wage will pay just over $100 a year more in tax than if the average tax rate on their income in 1996 applied. Someone on half the average wage—that is, about $26,000 or $27,000—will pay almost $700 a year more in tax than if the average tax rate on their income in 1996 applied. Of course they have the GST as well.

These figures simply refute and blow away the claims made by Senator Minchin in this chamber and by the Treasurer that they have been great supporters of low- and middle-income earners—the working class in this country. They have not been a friend of the Australian worker when it comes to tax. We will get to the industrial relations changes in due course, but they are no friend of the Australian worker when it comes to industrial relations either. We are seeing a continual attack on the living standards of low- and middle-income earners.

I have mentioned the participation challenge. Labor proposed a genuine tax reform package that sought to tackle the participation challenge. There was no effort by the government to target reductions in marginal tax rates for those whose participation would respond the most. An analysis of Labor’s tax proposals carried out by the Melbourne Institute showed that they would have not only delivered more tax relief but also improved participation in the Australian work force. This has been a lengthy debate since the budget. It is obvious to the Labor Party that the message will ensure the carriage of the package.

I referred earlier to the National Party. We have heard a lot from some members of the National Party—not Senator Boswell; he has been the doormat of this government for years and years. We have certainly heard some words from Senator Joyce on Telstra, voluntary student unionism and some aspects of industrial relations. But where has the National Party been on tax? I find this quite interesting. I have mentioned the advantages in Labor’s alternative approach for low- and middle-income earners. It would have doubled the tax cut from $6 to $12 for low- and middle-income earners earning up to about $63,000. So where has the National Party been on a fairer tax deal for the people it represents—low- and middle-income earners in regional Australia? According to the data, a greater proportion of lower income earners are located in regional Australia. What has the National Party been doing? The package will be passed by the Senate because of the message. In tax packages over the years, the
National Party supported a GST and continued—

Senator Boswell—Absolutely.

Senator SHERRY—Thank you for the interjection, Senator Boswell. The National Party has rolled over and been the doormat of the Liberal Party in respect of the GST and all other aspects of tax. I do not think that the National Party understands anything about the tax system; it blindly followed the Liberals as they outlined over the years tax packages, including this one, which are clearly not to the benefit of low- and middle-income earners in regional Australia, whom the National Party claims to represent. Nowhere is that better illustrated than by this approach.

I come from regional Australia—the north-west coast of Tasmania. In a previous speech I said that some 97 per cent of the taxpayers on the north-west coast of Tasmania earn less than $63,000 a year. It is one of the areas of Australia with a very significant proportion of low- and middle-income earners. Most National Party electorates similarly have a very high proportion of low- and middle-income earners, yet the National Party does nothing to advance the position of rural and regional Australia when it comes to a fairer tax approach. We have heard a lot from some National Party senators on some issues but we never hear from them on tax, which is very fundamental, obviously, to the living standards of Australians.

This unfair tax package—that is, unfair compared to Labor’s approach—will pass. Labor would have doubled the tax cut for low- and middle-income earners from $6 to $12. We were not going to roll over on Senator Minchin’s specious argument that this was in the budget. We believe in standing up and fighting for what we believe in. We have done so, and we have done so proudly. We now obviously accept the reality of the numbers in the Senate. We make no apologies for standing up and fighting for low- and middle-income-earning Australians, and we will continue to fight very vigorously on a number of fronts and on a number of issues until the next election.

Senator MURRAY (Western Australia) (9.51 am)—The Australian Democrats have taken a view of tax cuts from the perspective of our plan for structural income tax reform. Our plan for structural income tax reform has had five parts: to raise the tax-free threshold, to index the rates, to broaden the base, to raise the top rate and to reform the tax and welfare intersects. At the heart of our criticism of the government’s approach has been a sense that their income tax cuts package has not been part of an announced, argued, well-prepared, well thought through, long-term structural tax reform plan. That is a criticism which I hope the government will take on board and address.

In some respects the government have moved towards the Democrat position. For instance, if you refer to our position that the tax-free threshold should be raised to $20,000 in phases, the government already allow for that for, on our estimates, about three million Australians. About three million Australians, being senior Australians subject to the tax offset, now pay no tax on their annual income up to $21,968 for singles and up to $36,494 for couples. So it is certainly the view of the government that a high income tax threshold is desirable, but unfortunately they have only made it desirable for a portion of Australians, nearly all of whom are not working—and, of course, it is working Australians trying to get themselves up and going in the world who need a great deal of support.
That has been our approach to an income-tax-free threshold. We have argued that it should be lifted from where it is at $6,000 to $10,000 in the first instance and thereafter in phases up to $20,000. That will have great effects for the economy. It will deliver significant disposable income increases to low-income Australians, enabling them to find low wages acceptable, because their living standards can increase. It will take vast numbers, the majority of whom are women, out of the tax system because they are casuals and part-time paid workers. It will have all sorts of attractive income, economic and social consequences.

The second element of our structural reform plan is indexation. The government introduced the $6,000 tax-free threshold from the year 2000. If it had been indexed from that year, it would be around $7,050 or $7,060—on the way up to $7,100—today. That costs around $1.65 billion to $1.7 billion a year. We think that would be a very good way of maintaining equity. The greatest effect, once again, will be for low-income Australians.

The third part of our plan is to broaden the base. We think welfare for the wealthy needs to be got rid of in the same very intelligent way that the Ralph review and subsequently the government recommended that the base should be broadened to allow the corporate tax rate to drop. The consequence was actually an increase in corporate tax revenue. We always knew that the revenue-neutral argument of the government erred decidedly on the conservative side. The Democrats supported that proposition because we knew it delivered greater equity in the corporate world but also delivered greater revenue, which was our interest, given an underspend in many areas of necessary government services. Broadening the base enables you to get rid of inequities, inadequacies and inequalities, then it provides you with the money to address other areas of necessary income tax reform.

The fourth area of our plan is to raise the top rate. We have recommended that ultimately the top rate could be $120,000. We have no problem with that. But bear in mind our suggestion or recommendation, our view of priority, is that first you raise the tax-free threshold, first you index the rates, because that is what helps low-income people the most.

The fifth part of our structural reform package is to reform the tax-welfare intersects. The government should be given credit for reducing the taper rate both in 2000 and in the latest budget, but we know from the McClure report and other reports and considerations that much more needs to be done. It is a fact that the highest effective tax rates apply to low-income people.

We have had the strong view, given the size of the surplus, the nature of the economy and the opportunities and challenges faced by government, that the government missed a golden opportunity to address low-income earners first. Our alternative with the money on offer was in fact to use that money to raise the tax-free threshold. The Senate rejected that, so we then had to consider Labor’s proposition, which although second-best in our view to our own proposition nevertheless did try to do much more for low-income people than the government did—although we should always recognise that the tax cuts we proposed would have given more to low-income people than Labor had proposed.

In fact, our tax package was better than the government’s for people on incomes below $60,000 and better than Labor’s for people on incomes below $65,000. So we ended up supporting Labor’s approach, because we think it is important that the Senate takes a view as to where structural income tax re-
form should go. The fact is that the tax cuts are now in place. It is fair to report that the government were quite right in assessing public opinion. There has been no strong public reaction or antagonism from those communities that did not get the same tax cuts that have gone to other communities. High-income tax earners, of course, are very happy, but there certainly has been no outrage from low-income tax earners at the government tax package in the sense of letters, emails and all that sort of thing that politicians normally get.

So it seems there is broad community acceptance of the government’s tax package, and we must accept that. But we must also, as it is our job to represent our constituency and Labor’s job to represent their constituency, argue for those policies which we believe are right. Despite the fact of a general acceptance of the tax cuts package within the community at large and its bedding down, we remain concerned not that the government have done it but that they have done it in the wrong order—that is, they have first of all addressed high-income earners when they should have first of all addressed low-income earners. I do not intend to speak at length on this matter. I want to conclude by recommending that the government do not rest on their laurels with respect to the income tax reform they have carried out to date in the years 2000, 2004 and 2005—with more to come in 2006—but that they in fact put together a serious, substantively argued case for permanent structural income tax reform which will provide certainty into the future.

As we know, every year income tax thresholds and income tax rates are affected by bracket creep, and the real income of Australians is effectively eroded. I think it is important that the government address that issue and deal with the five parts that we recommend. To restate them and conclude: we want to see the tax-free threshold raised, and raised significantly; we want to see rates indexed; we want to see the base broadened; the top rate can stay as it is probably pretty well where it should be for the present; and we want to see tax and welfare reformed and addressed. I guess, since Senator Sherry did address the National Party in this debate, it is recognised by the media and the community that the National Party have more sway in the new Senate environment. You have greater numbers but you are also getting much more media coverage and attention. I do hope, in the interests of their own regional, rural and remote constituency—many of whom are low-paid workers—that the National Party will argue strongly for further structural income tax reform.

Senator BOSWELL (Queensland—Leader of The Nationals in the Senate) (10.02 am)—It is always a pleasure to follow Senator Murray. His speeches are coherent and they lead somewhere, in contrast to those of Senator Sherry, who is normally pretty predictable. As he starts off he always has a bit of a bash at the National Party and then he fades into insignificance. I would like to congratulate Senator Minchin. The first piece of legislation addressed by this parliament deals with the $21.7 billion tax cuts for all Australians—and if that does not signal that the game is on then nothing does. I do not know how you can sit there, Senator Sherry, and defend your position. I know that you are a shadow spokesman, and I suppose it falls on you to do that, but your defence of your position is pretty puerile.

This $21.7 billion is a very, very significant tax cut to most Australians. It is one that the government supports and one that the National Party support wholeheartedly. We have this bill, if it goes through—and it will go through, because we have the support of the coalition, so it will obviously go through. I do not even know if you would be prepared
to call a division, but it would be interesting if you did call a division on this. The bill deals with the tax cuts in the May budget for Australian workers—for some more than others, but all Australian workers get a benefit. The cuts ensure that the top tax rate only applies to three per cent of Australians.

I want to address some of the issues that both Senator Murray and Senator Sherry alluded to. The Labor Party have been losing votes in rural and regional Australia over the last 20 or 30 years—in fact, they do not even put up a reasonable fight now; they get some union hack to go and stand out there and put their name up in a rural electorate. They usually get around eight, nine or 10 per cent of the votes, which they then redirect to an Independent to try and knock out the coalition member or senator. But I say to them and the Senate that there are many skilled workers out in rural and regional Australia who are going to get great benefits out of these tax cuts and these people have traditionally been Labor Party voters. You can understand, when these people who are skilled workers are denied tax benefits—or an attempt is made to deny them such benefits—that they turn their votes away from the Labor Party. The Labor Party never seem to understand this.

The old class warfare has moved on. Let me give you some instances, Senator Sherry, if you are listening. A skilled, unionised abattoir worker—let us say a beef boner, and a pretty good one—on the floor would earn around 70,000 bucks a year. Let me tell you that he would be worse off, if your bill got up, by $76 a month or $3.50 a day. Let us go to a truck driver making $75,000 a year. He would lose $22.30 a week if your tax cuts came in. A wharfie or a senior police officer earning $80,000 would lose a lot of money also. Let us take coalminers on an average of $93,000 a year. That is where you start in the coalmining industry—you can go up higher and higher, but that is the starting salary. The tax cut there that you would deny the coalminers is $180 a week.

Senator Sherry—Madam Temporary Chairman, I raise a point of order. I know that this is Senator Boswell’s first foray in a tax debate for a long time, but he is just wrong. What he said is not correct.

The TEMPORARY CHAIRMAN (Senator Kirk)—Senator Sherry, there is no point of order.

Senator BOSWELL—Senator Sherry, I know you do not agree with this, but I am giving you a little bit of political advice, whether or not you want to hear it. When you voted against this bill you denied some of your ex-supporters huge tax cuts—abattoir workers and all those sorts of people. You have to move on, Senator Sherry. A lot of your constituency earn serious sums of money, ranging from $93,000 a year—that is a starting wage in a mine—to $70,000 a year for an abattoir worker, and then there are the truck drivers, policemen and all those sorts of people. By voting against our tax cuts, you are going to deny those people huge tax benefits. Then you wonder why your vote disappears in rural and regional Australia. I am telling you why: you are neglecting the people who originally supported you: the abattoir worker, the miner. Most of those people are now voting for the National Party and you would not wonder when you are trying to take $170 a month from them. Of course they will vote for us. They have realised that you have not moved on with the times.

I welcome the opportunity to speak today on behalf of the National Party. I welcome the opportunity to speak on behalf of the abattoir workers, the miners, the people in rural and regional Australia who earn very good money because they have very good skills. We recognise that fact and we have imple-
mented tax cuts that you would deny them by voting against our legislation. So do not come in here and belt up the National Party for having no views on tax, because we do have very serious views on tax. We believe those people who are in the productive sector in rural Australia are entitled to tax cuts as much as anyone else in Australia, and you want to deny them that. I am sorry, but the National Party will not agree to that. We will support tax cuts for all Australians, including the abattoir workers, the rural Australians, the miners, the policemen, the waterside workers—all the people who used to vote for you who have now come over to us.

It is not by smoke and mirrors that the National Party have increased their Senate numbers by 50 per cent. It did not just happen. We did not just walk in here and take a couple of positions on this side of the house. We got those positions, representing rural and regional Australia, because you neglected those miners, those abattoir workers, those rural and regional Australians that you have just walked away from. As long as you keep walking away from them, the National Party will keep increasing their numbers. Do not do it. I have given you the warning that, if you keep belting up your ex-constituents, the National Party will keep increasing their Senate vote and their rural representation.

Question agreed to.

Resolution reported; report adopted.

BUSINESS

Consideration of Legislation

Senator MINCHIN (South Australia—Minister for Finance and Administration) (10.12 am)—I move:

That the second reading of the Superannuation Laws Amendment (Abolition of Surcharge) Bill 2005 be restored to the Notice Paper and be made an order of the day for a later hour.

Question agreed to.
What was the government’s justification? It argued in support of this new tax for higher income earners because of fairness and equity. It was not about balancing the budget, as it now claims; it was about fairness and equity. In fact there are on the record numerous quotes from the Treasurer, Mr Costello, claiming that it was introduced because of fairness and equity. It was introduced in order to reduce the effective marginal tax saving for higher income earners in respect of superannuation contributions. That is on the record on numerous occasions. At one point in time Mr Costello even boasted about the fact that he was applying it to politicians as well—members of defined benefit funds. He boasted about that. He boasted continually about the need to increase the tax rates for higher income earners in respect of superannuation to reduce the relative advantage they had in terms of contributions to superannuation. That is why it was introduced.

There was significant discussion at the time about the administrative complexity of the collection of this tax, and Labor did point out that the costs of collecting this tax were significant. It is certainly the most costly tax to collect. In fact, I discovered something startling. I think Senator Murray might have been at Senate estimates during this last year when I questioned the Australian Taxation Office. The tax office admitted that over the past eight years there was more than, I think, $700 million to $800 million of this tax that they could not collect. They were not able to collect it, and that goes back to the administrative difficulties. In introducing this tax, the government did not think enough about the administrative complexity of collecting the tax—and I think that is a legitimate criticism of this tax.

However, the Labor Party live with reality. The fact is that the GST was introduced. We are not seeking now to scrap the GST. This tax has now been in operation since 1996. The beneficiaries of this are people on a surchargeable tax income of greater than $99,700 a year. Despite some of the nonsense I see in the media from some people, about five per cent of the taxpayers of this country—higher income earners—benefit from this tax. That five per cent figure was confirmed at Senate estimates by Treasury.

The tax is not being repealed, and I do want to emphasise this because there does seem to be some confusion amongst people who are paying this tax at the present time. It is being abolished, not repealed. That means that for people in a defined benefit fund—and there are many people in defined benefit funds—the debt that they have accrued will continue on and will continue to gather interest. There is some belief amongst people who have accrued a debt that the debt is being wiped as well. That is not correct, and I want to put that on the record, because a number of people have rubbed their hands in joy about the fact that their debt is being wiped out. It is not. However, the debt will not grow any larger—other than from the interest component.

So the tax is being abolished but the existing debt is not being repealed. Individuals will have to pay that, probably when they retire. The accrued debt will come off their retirement income, or, if they wish, they can choose to pay the accrued debt off. Those are the two options for people in defined benefit funds—and higher income earners have a greater propensity to be in defined benefit funds. I am not sure of the exact number of people. It might be interesting for Senator Minchin to let us know—if he knows—how many people actually have an accrued debt because they are in DB funds. I have never seen a figure, but it would be a reasonably substantial number. That is of course why in the budget papers for the forward estimates, despite the fact that the tax is being abol-
ished, there is still about $300 million a year being collected. It is because people are paying off their accrued debt as they reach retirement or, alternatively, are paying it off through the defined benefit fund before they reach retirement. I just wanted to make it clear, because there does seem to be some misunderstanding on that matter among people who have accrued surcharge debts.

Again, Labor argued that this was an unfair tax cut because it was an exclusive tax cut only for high-income earners. They benefited from the income tax cuts and then they got a very significant tax cut via their super. Labor argued that this was an unfair approach and we would not support it. The government have made a great deal about the co-contribution. In the context of the initial reduction and now the abolition of the surcharge they said, ‘We are doing this for high-income earners—those earning more than $99,700 a year—and we have introduced a co-contribution for low- to middle-income earners.’ The co-contribution is that if you put up to $1,000 into super voluntarily you get a matching government contribution of up to $1,500, if your income is up to $28,000. It then phases out until your income reaches $58,000.

The government say that this is a balanced approach. Labor say that that is not right, it is not a balanced approach, because under this proposal to abolish the surcharge all high-income earners on a surchargeable tax income of greater than $99,700 a year get a benefit—all of them, and they do not have to do anything; they do not have to make extra contributions to super. So the tax abolition is not conditional on higher income earners putting extra money into super. By way of contrast, the co-contribution is. You only get the co-contribution if you put extra money into super. In order to gain a benefit from the government via the co-contribution, low- and middle-income earners have to do something. They have to put extra money into super—it is conditional, whereas it is not conditional for higher income earners. They all get the tax cut and they do not have to do anything.

The second point that I make about the lack of balance is that many low-income earners do not have a spare $1,000. Some do, and I accept that, and good on them if they put it into super. However, on the government’s own figures, only about one in 10 low-income earners have a spare $1,000 or so to put into super, because lower income earners have a lower propensity to save, for one very obvious reason: in the majority of cases, they simply do not have the money. Some do, but the majority do not. So that is not a balanced approach. I reject that government argument.

The third point I want to make is about what is happening to middle Australia. What is the government doing as far as superannuation and incentives for middle Australia? For those earning roughly $55,000 up to approximately $100,000, they are not doing very much or, indeed, anything. I think there are approximately 2½ million wage and salary earners in this group. We have a very significant group of middle Australians for whom this government has done nothing in respect to superannuation. The surcharge and the co-contribution for people in the middle to higher end of the 50s is not a great deal of money as it is phased out. You get to $58,000 in income and there is no co-contribution. From then on up to a surchargeable income of $99,000—approximately $100,000—for that vast group of middle Australians, this government has done nothing in terms of direct incentives for superannuation. It is not a balanced approach.

The Labor Party accepts that the bill will now pass in the Senate. We recognise the reality of the numbers in the new Senate. As
I have outlined, the Labor Party will not support the abolition of the surcharge. We believe that better use of the monies could have been made, particularly for lower and middle income earners. Where is the tax cut on superannuation for other Australians earning less than $100,000 a year? There is not one. So it is an exclusive tax cut from that point of view. However, this bill will pass in the Senate. Again, the Labor Party has fought for what it believes in. We do not agree with the principle.

I know that Senator Minchin has outlined that the basic position since 1 July is that the numbers have changed in the Senate and that the Labor party should just accept everything the government puts up. I see Senator Murray smiling because I know he made this point in previous debates as well. The government of the day has a very arrogant approach. We have seen the creeping arrogance coming into a number of arguments and behaviours in this place. We saw it yesterday. The government is arrogantly saying, ‘The Labor Party should not oppose anything in the Senate. They should not put up anything positive. We, the Liberal Party, are the government and you do as we say. That is it. We have the numbers and we are going to use them.’

The government may have the numbers in the Senate but the Labor Party are going to continue to fight for what we believe in. We are going to continue to put up positive policies for improving the economic and social conditions of Australian workers and their families. We are going to continue to do that. We are going to continue to fight in this Senate to make the arguments and policy points. We are not just going to roll over and accept the arrogance of this government saying that we should just accept what they put forward in the Senate as a matter of right because it is in the budget and that we should therefore pass anything they deem to put up. As I have said, I think this is an arrogant approach from the government and we have seen this across a number of fronts. They are out of touch in a number of areas that are of fundamental concern to Australian workers and their families. We will debate those other issues over the course of the next 2½ years. The Labor Party will continue to fight in this place for what it believes in.

Senators MURRAY (Western Australia) (10.26 am)—The Superannuation Laws Amendment (Abolition of Surcharge) Bill 2005 proposed changes which could be summarised as follows: the discontinuance of surcharges on superannuation contributions that occur on or after 1 July 2005 applying incrementally to taxpayers with a taxable income in excess of $99,710—in other words nearly $100,000—with the full rate to apply to taxable incomes in excess of $121,075. They are charged incrementally up to 12½ per cent for the 2004-05 financial year and 10 per cent for the 2005-06 financial year and later fiscal years. In other words, this is a tax cut for the wealthy.

The discontinuance of surcharges also applies to lump sum superannuation payments, principally eligible termination payments that resulted in reported incomes in excess of the thresholds outlined above, and the maintenance and indexation of previously assessed surcharges owing for superannuation contributions made between the 1996-97 financial year and the 2004-05 financial year that are still outstanding.

According to the government the intention behind repealing the surcharge is to encourage further retirement saving for the 600,000 to one million Australians to whom the surcharge is estimated to apply. The real intention is to respond to strong and prolonged opposition to the surcharge that has existed ever since its introduction, to gratify a large sector of the coalition constituency and be-
cause, as Senator Minchin recently admitted, its real original purpose was as a tax to help reduce the budget deficit inherited from Labor. They now think of it as an unnecessary fiscal revenue raising measure since the government budget is in surplus. In other words, despite us never being told of that view, it was always regarded by the coalition as a temporary tax or surcharge.

The cost to revenue is very considerable. It is estimated it will be in excess of $2½ billion over the next four years. So for any little charitable association out there, local road that needs to be built or any other bit of expenditure that is denied to the community, just remember that the better off have got your money and that is why you are not getting it.

There are several issues that should be noted. The original intention of the surcharge, according to the Howard government, was to address the inequitable concessional taxation treatment that applied to high-income earners who, through greater disposable income, were able to take advantage of higher superannuation contributions. The removal of this levy implies a reversal of that policy and favours a widening of the gap between those who can save for retirement and those who cannot. It was originally sold as an equity measure. With the exception of recipients of lump sum super payments, the surcharge currently applies only to the highest bracket of income earners. Its removal is yet another concession to wealthy Australians at the expense of revenue that could be put to use in a range of areas, such as education or low-income earners’ tax cuts.

Relieving the future welfare burden of underfunded retirees, for instance, whose saving gap the surcharge was originally intended to redress, is not a priority. And there is the question in this debate as to what will be done with the money instead—that is, what is the better purpose that money could have been put to? This is not a base-broadening measure; this is a costly measure, and there is no compensatory removal of welfare for the wealthy. In that sense, it disregards a good tax principle—that is, that in addressing an income tax issue in one area you should seek to equalise the revenue effects wherever you can by compensating removals of inequities or unjustified tax concessions. The claim that removing the surcharge will simplify the superannuation system is not well founded, since the vast majority of the reporting measures will need to be maintained for the government’s super contribution policy.

Key beneficiaries of this bill, it should be noted, are people such as me, due to their higher employer contribution rate, which is amongst the highest in the country. The superannuation industry has welcomed the bill, as it does stand to gain management control of the funds freed up by the proposal whilst also benefiting from a reduced administrative and reporting workload. In that respect, the government’s belief that some of these restored funds will flow into savings is confirmed by the superannuation industry’s attitude. Press commentary on the matter has been largely positive, although it has noted that the bill is against progressive taxation measures. Once again, the government is fortunate in that the public seem blissfully unconcerned, but the higher income beneficiaries of this largess are of course delighted—that is, until they have to pay for the accumulated debt which is sitting there.

The Democrats’ policy is that we believe superannuation savings should be encouraged by taxation incentives that are fair and progressive and avoid excessive tax minimisation by high-income earners while properly reflecting the deferral of the benefits of superannuation and government co-contributions targeted at low-income earners.
We oppose the bill, not because it delivers more savings consequences—to the extent that it does—but because we believe that the revenue impost on higher income earners was justified and the revenue could have been better used for other purposes within the government’s requirements, and I could name any number of them. I will leave my remarks at that. I am sure Senator Watson will enjoy exhibiting some part of his justifiable reputation in these matters. He is, with Senator Sherry, one of the experts in this chamber.

Senator WATSON (Tasmania) (10.33 am)—I hail the abolition of this surcharge. It is certainly long overdue and has certainly been one of the most inequitable taxes that has been put on the statute books. With respect, Senator Murray, to say that the Superannuation Laws Amendment (Abolition of Surcharge) Bill 2005 is just for high-income earners is not really correct. We have the situation where police officers injured in the course of duty suddenly find their accumulated amount comes within this legislation. It might not come completely within it; it might be within the transition stage—but, during that transition stage, the marginal tax rates on the way up can be as high as 62 per cent. Is it fair, when superannuation is supposed to be concessionally taxed, that people such as police officers and others injured in the course of duty suddenly find themselves with an incremental marginal tax rate as high as 62 per cent, when the top tax rate on personal incomes is below 50 per cent?

I would also like to point out the terrible inequity in the situation where a person’s entitlement is not a lump sum but a pension. Should such a person happen to die within a short time of their retirement—or even beforehand—there would be no lump sum entitlement through which to pay the surcharge. Such a person, dying within a short time of their retirement, could have accumulated a terribly high surcharge debt—maybe $40,000, $50,000, $60,000 or $80,000. A retiree on a pension payment may have no ability to pay that sort of money. They would have to borrow from neighbours, banks or family just to meet that surcharge debt—and they would have received absolutely no benefit, because they are on an income stream. At a time when we are trying to encourage people to move to an income stream, a pension or an annuity, where is the fairness in putting an obligation like that on people who are locked into an income stream or a pension and have no ability to finance that debt? One of the good tenets of taxation is that you pay tax on where you get a taxation benefit. Where is the taxation benefit in those circumstances?

We have another situation: suppose a person is a member of a corporate defined benefits scheme and that scheme happens to be pretty good. When returns are good, sometimes they can be 22 per cent. I have known some to be as high as 30 per cent. But what happens with the surcharge debt? As far as parliamentarians and Commonwealth public servants are concerned, we legislated to provide a cap of 15 per cent. But for those people out in the real world, in a good company scheme, what is the rate of interest that they have to pay? It is 22 per cent, 25 per cent, 30 per cent or, if it is a less well performing fund, maybe 17 per cent. There is a minimum of 15 per cent. Where is the equity?

So I say to you: this is a tax that has to come off the statute books. It is not a uniformly good tax that is applicable to all; it is very selective and it hits some people, because of particular circumstances, very aggressively. I commend the Treasurer on his initiative in getting rid of this tax. Last Sunday in Sydney I attended a meeting of the Society of Superannuants where they farewelled this tax—hopefully—with dignity.
The other big problem is that it is not a universal tax. Not everybody who is a high-income earner pays it. We find that new judges pay it but old judges do not. We find that magistrates, who are performing almost the same duties as judges, pay it. I remind you that we also had a High Court decision saying that a number of aspects of this tax could not be upheld. So increasingly we are finding that, as the litigation comes before the highest courts in the land, holes are being found in this tax. A tax must be universal. It must be applicable to everybody. You cannot have some people outside the system and some inside the system, on the basis that they get an equivalent return.

I am very pleased to see this unfortunate tax go. I remind senators that it came in to plug that $10 billion black hole that was inherited from the Labor government. It was intended to be a short-term tax but, because of the combined opposition parties in this place, has taken too long to take it away. I think this is the first opportunity that we have had to get rid of it. The sooner it is off the statute books the better. Unfortunately, it is going to linger because, although it is going to be abolished from this year, 2005-06, the repercussions of it will go on for several years. Already we have found, from the Australian National Audit Office’s assessment, that the tax office is having difficulty in handling the more difficult cases. So it is a bad tax. The quicker we can get it off the books and the sooner we can get rid of the notion that it is a universal, fair tax, the better.

Senator MINCHIN (South Australia—Minister for Finance and Administration) (10.40 am)—I thank Senator Watson for his very informed and wise contribution to this debate on the Superannuation Laws Amendment (Abolition of Surcharge) Bill 2005. I also thank Senators Murray and Sherry. I do think it is fitting that both the first and second bills dealt with by this new Senate reduce the tax burden on all Australians. I think this therefore should be seen as Australians getting their appropriate dividend from their investment in a coalition majority in this place, because the facts are that neither the income tax cuts nor the abolition of this 15 per cent surcharge would have happened but for the result of the last Senate election. This Senate, in its old composition, voted down the government’s proposals to reduce income tax and abolish this surcharge. So neither of these things would be happening but for the phenomenon of the coalition being given a Senate majority by the people of Australia—a quite extraordinary circumstance.

From a wider perspective, the fact that we are able to proceed with both these pieces of legislation to reduce the tax burden on Australians should be seen as a dividend from nine years of very hard work on our part to restore the strong fiscal circumstances of this nation. It has taken us nine long, hard years of debt reduction, cost control and economic growth to ensure that Australia is in a position to be able to afford these substantial tax reductions. They would not have been possible without all the hard work that has occurred over the last nine years to make this economy much more productive and to introduce much more fiscal discipline into the way this $200 billion federal government budget is managed.

I repeat emphatically what Senator Watson has said: in the 1996 election campaign we did not want to introduce any new taxes, but the facts are that we inherited a budget situation where the previous government had accumulated some $70 billion in federal government debt. That brought about a situation where we faced $96 billion of debt, $8 billion a year in interest payments and an ongoing $10 billion deficit each year. We had no alternative but to cut government programs and introduce other imposts like this
surcharge in order to deal with that very difficult fiscal situation. This surcharge was introduced on the basis of equity in relation to sharing the burden of dealing with the fiscal shambles that we inherited in 1996. It was always seen within the government as being a temporary measure to restore the fiscal integrity of the federal government’s finances.

We wanted to be in a position to remove this surcharge when that was a fiscally responsible thing to do. We quite deliberately packaged this as an equity measure, as described by Senator Sherry, but in the context of an equitable sharing of the burden of restoring the fiscal integrity of the Commonwealth’s finances and getting the budget back into surplus. That job has been done and we have now run surpluses in, I think, eight of our 10 budgets. We now are in a position to completely abolish this surcharge. I am humbled that the Australian people have given us a majority in the Senate which is enabling us to do it. I remind this chamber and people listening elsewhere that this would not have been possible but for the fact that we have won a majority, which is quite an extraordinary phenomenon. This Senate, in its old form, voted down this bill.

I would also draw attention to the Labor Party’s extraordinarily chequered behaviour in relation to this matter. The Labor Party opposed the introduction of this surcharge. They not only left us with a fiscal shambles but also opposed every attempt on our part to fix the problem. They sought to deny us the capacity to repair the budget by denying us the income from this surcharge and then, on every occasion when we have sought to reduce the surcharge, they have opposed us—contrary to their original opposition to the surcharge itself. Now that we come to this chamber to abolish the surcharge—having done its job and being no longer necessary—they again seek to oppose it. The Labor Party have fallen into a culture of opposition, where they believe they must oppose everything that the government put up and, apparently, they cannot consider anything on its merits.

This has been an administratively difficult surcharge. There are all the problems that Senator Watson has alluded to. It is timely, proper and appropriate that we abolish it. It is something that I have personally sought to achieve for many a long day and I flagged that publicly at the very beginning of this year, in January. I am delighted that the budget is in such a strong position that we are able to finally remove this surcharge. I commend the bill to this chamber.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

COMMITTEES

Environment, Communications, Information Technology and the Arts References Committee Report

Senator BARTLETT (Queensland) (10.47 am)—by leave—I present the report of the Environment, Communications, Information Technology and the Arts References Committee on the performance of the Australian telecommunications regulatory regime, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

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

Leave granted.

Senator BARTLETT—I move:
That the Senate take note of the report.
I speak to this as chair of this references committee but, as members of the committee would know, that is a role I took on just at the end of June. The totality of the work beyond drafting the final report was done by the previous committee, of which I was not a member, and of course by the previous chair, my fellow Queensland Democrats senator John Cherry who, sadly, is no longer in this chamber. So in many ways I am simply presenting the result of the work of other people beyond the final pulling together of the report. I pay tribute to particularly the work of the former chair of the committee, Senator Cherry, and also the work of the committee secretariat in pulling it together in that slightly unusual and less than ideal context.

This report is, nonetheless, a very important one for the Senate and the public, with the current crucial debate about the future of telecommunications in Australia, only part of which revolves around the future ownership of Telstra. This report focuses on the performances of the Australian telecommunications regulatory regime. Its release will contribute to the current national debate on Telstra’s provision of services to the bush, the encouragement of investment in telecommunications infrastructure and the appropriate level of regulation of competition in the telecommunications arena.

The benefits of effective telecommunications services to the Australian economy and to the community are very substantial. As well as being a vital social service to which all Australians are entitled, internationally competitive telecommunications services are essential to local businesses, from the very largest to the very smallest. To put it bluntly, affordable, accessible and modern telecommunications are very much in the national interest. The committee heard many concerns that the sale of Telstra would undermine those benefits, including criticism that in proceeding with the sale the government was failing to take sufficient account of the importance of regulation and competition in protecting a vital service and was putting potential revenue ahead of the need to safeguard future services to consumers.

It is important to emphasise that those concerns are broader than simply a view about whether Telstra should or should not be in public hands. In the context of that debate, it is a view that the very important issue of whether the regulatory and competition regime that surrounds Telstra, regardless of whether it is in public or private hands, is not getting the attention it deserves and it is in part being deliberately ignored by some of the imperatives driving the government’s desire to maximise the amount of money it gets from selling Telstra.

The concerns in this report are very real. It is not just the Democrats and the ALP pushing their agenda; it is a report that reflects the concerns of industry, small business and, importantly, millions of individual Australians. Some people in rural areas drove hundreds of kilometres to tell the committee of their concerns, particularly their frustration with poor services and high costs. So this report is an effort to constructively contribute to this important debate. In a context where this government have a growing record of ignoring Senate committee reports and community concerns, I would urge them on this occasion to pay attention to what has been provided by the community.

The committee received 52 submissions and held eight hearings across Australia, taking evidence in Sydney, Melbourne, Dubbo, Townsville, Perth and Canberra. Several major themes emerged during the inquiry: weaknesses in the anticompetitive provisions and the access regime under the Trade Practices Act, a high level of concern about current and future services to regional and rural Australia and the need for stronger consumer
protection measures. The clear message was that the current regulatory regime did not and does not protect consumers sufficiently, does not support competition adequately and does not stimulate infrastructure investment in this country, particularly outside the high-traffic, high-profit areas. This report makes 35 important recommendations for reform, and they are valid whether or not Telstra stays in public hands.

The committee heard considerable evidence indicating that Telstra’s horizontal and vertical integration has stifled competition. The committee believe that effective transparency of Telstra’s activities will only be achieved if Telstra’s wholesale and retail activities are structurally separated. The government has never properly considered this option and has consistently dismissed it out of hand, so we have recommended that the Productivity Commission be asked to undertake a full examination of the structural separation of Telstra. In light of the government’s position, the committee also see merit in the ACCC’s recommendation on an effective model of operational separation, which clearly is not working adequately at the moment. In order to regulate the telecommunications sector effectively we have called for the ACCC’s powers to be enhanced. The example of the 2004 broadband competition notice illustrates that the ACCC does not have sufficient powers or resources to deter anticompetitive behaviour. We have recommended that funding provided to the ACCC for telecommunications issues be substantially increased, and that they be given divestiture powers so that they can do the job they need to do more effectively.

Infrastructure competition in this country has been severely hampered by Telstra’s ownership of two of the three HFC networks and by its part ownership of Foxtel. As have previous inquiries, we have called for Telstra to divest its shareholding in Foxtel and for measures to be taken in relation to its ownership of the HFC network. The committee heard repeated claims of regulatory gaming by Telstra to hinder its competitors in gaining access to declared infrastructure. The government has known of these concerns but has not taken the necessary steps to address them. The committee have made a range of recommendations to address weaknesses in part XIC of the Trade Practices Act and to ensure compliance with national competition principles.

Central recommendations are that the government consider expanding the class of core services and that the ACCC include prohibitions on behaviour that has the purpose or effect of impeding or unreasonably delaying access in any model terms and conditions for core services, particularly the unconditioned local loop service. We have also recommended various legislative amendments with regard to the model terms and conditions set by the ACCC, the ACCC’s powers to set prices, and amendments to the undertaking scheme to prevent its misuse and promote certainty.

Australia’s performance on broadband access, compared with other OECD countries, has declined in recent years. In addition to promoting greater competition, the committee call for greater support for infrastructure investment, particularly in low traffic areas, to promote broadband access. We have made several recommendations to improve the Higher Bandwidth Incentive Scheme, including that the government carry out a cost analysis of HiBIS to ascertain how equitable universal broadband access can be provided. We need to consider simplifying the application requirements for this scheme and streamlining the processing of applications for registration. Also, HiBIS needs to be broadened so that a higher subsidy is provided for a broadband service that creates suitable infrastructure for multiple users—
such as cable or wireless technology—which allows for future use by other consumers.

The report acknowledges that infrastructure investment in regional Australia is severely limited by the prohibitive cost of backhaul. Another key recommendation is that the ACCC examine the availability of access to and the cost of backhaul services for carriers in regional Australia. The committee also recommended that funding be provided to local government to develop business models that focus on delivering affordable local broadband services to regional and remote areas. It is my view that broadband access, particularly in regional and rural areas, is absolutely critical to ensuring equal opportunities for economic and social development in those parts of the country. More opportunity for economic and social development in regional and more remote areas would, I believe, be beneficial for people that live in the cities as well.

The committee also repeat some recommendations from previous reports, particularly broadening the role of the Telecommunications Industry Ombudsman. We have also recommended legislative amendments to enforce development of codes within set time frames, as well as annual reporting by industry on compliance with codes.

I wish to thank those that made submissions to the inquiry and the many people who gave evidence at the public hearings. That is another example of how important the independent Senate committee process is, operating as a genuine chamber of review, and providing real opportunities to the general public to provide their expertise and experiences and express their views and concerns.

I repeat my thanks to the former chair, Senator Cherry, and the secretariat staff: Louise Gell, Jacqueline Dewar, Jonathan Chowns, Rick Williams, Robyn Clough, Jacquie Hawkins and Dianne Warhurst, for their hard work in pulling together an enormous amount of material in a short time. I also thank former senators, Tsebin Chen and John Tierney, both of whom participated in this inquiry, as well as the other members of the committee, who put in their time and interest. I urge all senators and those members of the general public interested in this crucial policy issue to give consideration to the issues raised in the report. It is important that they be addressed. Regardless of whether or not we have public or private or ownership of Telstra, proper regulation and proper competition is important to the future of this crucial infrastructure area.

Senator TROETH (Victoria) (10.58 am)—As deputy chair of this committee, taking the place of Senator Tierney who retired earlier this year, I want to acknowledge the work that he put in, and also acknowledge the work of Senator Cherry as the former chair of the committee.

Not surprisingly, government senators have produced a report dissenting from the majority report on this inquiry. We feel that many of the recommendations are already in place. We all agree that high-quality, affordable telecommunications services are critical to the ongoing prosperity of this country. That is why there is a focus on liberalising the Australian telecommunications market and encouraging the development of competition. We need to ensure that new market entrants can get access to and use of key services owned and operated by the incumbent provider. That should be provided through an access regime contained in part XIIC of the Trade Practices Act 1974 and, as well, through telecommunications specific competition rules in part XIIB of that same act.

It is very important to understand that there are now over 100 telecommunications carriers in this country. There are several
hundred internet service providers. There are four companies which operate mobile phone networks and there are broadband networks in both regional cities and capital cities. The real question that should be asked is: are all consumers receiving benefits as a result of the existing regulatory framework? The Australian Communications Authority found, in its Telecommunications performance report 2003-04, that the output of the telecommunications industry was 96 per cent greater even then, in 2003-04, than if the telecommunications reforms of 1997 had not happened.

Government senators are satisfied that the current regulatory framework has worked reasonably well. The real questions we need to ask are: what will the future look like, what technologies are going to succeed in the future and what business models and structures will emerge? It is those questions that we need to ask rather than shackling the present telecommunications regime to a regulatory framework which may well be outmoded in two, three or five years. The Minister for Communications, Information Technology and the Arts, Senator Helen Coonan, has initiated a review. I am very confident on behalf of government senators that this will deliver a flexible, responsive and robust framework.

There are several recommendations that government senators have supported in principle—for instance, recommendation 4 of the committee, which is ‘that one of the full-time commissioners of the ACCC be given specific responsibility for telecommunications, and this person also be a member of the Australian Communications and Media Authority’. The ACCC already has a commissioner who has carriage of telecommunications issues. In relation to this person also being a member of the Australian Communications and Media Authority, we note that there are provisions for this to occur and it has happened in the past. But it would be prudent, surely, to consider this matter only after the senior Australian Communications and Media Authority positions, including that of chair of that authority, have been finalised. That is what we would like to see happen.

Recommendation 30—‘that the Australian Communications and Media Authority give immediate and urgent consideration to adopting the recommendations in the ACA research report Consumer driven communications: strategies for better representation so that the rights of consumers are better protected’—is another recommendation that has already been addressed. Consumer driven communications: strategies for better representation was submitted to the ACMA late in December 2004. The ACMA is considering those recommendations which relate to its functions and powers and has developed a work plan for addressing those recommendations. The government, of course, is also considering the recommendations, as are other bodies such as the Australian Communications Industry Forum and the Telecommunications Industry Ombudsman. They are also considering the report recommendations that relate to their functions and powers. So these recommendations are already being addressed.

With regard to the committee’s recommendation 34—‘that all carriage service providers make available a basic residential package to households who want only a clear, cost based package of local access services’—we already have in place a number of measures which aim to assist low-income individuals in regard to access to adequate telecommunications services. However, government senators consider that it would be beneficial if other carriage service providers were to put in place similar measures to those Telstra has developed for people on low incomes, particularly in light of the on-
going move away from a monopoly in telecommunications service provision.

Certainly, as I said, we support in principle some of these recommendations. But we also need to recognise that much of this work is ongoing and many of the recommendations in this report have already been addressed in the many exhaustive inquiries into our telecommunications regime that have been carried out. What we need to do, as I said, is make sure that the clients are receiving the benefits as a result of the existing regulatory framework. In spite of the many negative comments that were made about the telecommunications regime, government senators are reasonably satisfied that consumers under the present regime are receiving benefits. There are always improvements to be made and modifications to the existing regime that can be carried out. But, by and large, we consider that the present regime has served consumers well.

The big question, of course, will be the structural separation of Telstra. The government has made it clear that it does not endorse this due to the cost and complexity of such an exercise. But we reject the recommendation to ask the Productivity Commission to undertake a full examination of that. By and large, we do not agree with the majority recommendations. We have issued a minority report, which I believe sums up the feelings of government senators very well. We can only perhaps be sorry in a way that this inquiry went over so much ground that had been trawled over by previous inquiries. There is not a lot of merit, I fancy, in going over and over these questions when the government is actively considering what it will do with the telecommunications regime. What we as a government need to do is make quite sure that the regime we have in place benefits consumers. That, by and large, is what we are trying to do in the present consideration of the state of Telstra and, indeed, in any future consideration of the state of Telstra.

Senator CONROY (Victoria) (11.07 am)—At the outset I would like to acknowledge two former senators for the enormous amount of work they put in on this committee: Senator Cherry, the former chair of the committee, and Senator Tchen. They travelled all around the country—they have probably been to more parts of the country than you have recently, Senator McGauran, as a National Party senator—and put in the hard yards. I want to acknowledge their commitment to the issue of the telecommunications regulatory regime.

Senator McGauran—I will forward that on to them.

Senator CONROY—Thank you. The Senate Environment, Communications, Information Technology and Arts References Committee report into the performance of the Australian telecommunications regulatory regime is the product of five months of hard work from the committee, staff and senators involved. Over the past five months the committee heard extensive evidence from witnesses during a number of hearings in Canberra, Melbourne, Sydney, Perth, Townsville and Dubbo. Completing the report by yesterday’s reporting date was an enormous effort for all involved, and I would like to express my personal thanks to the committee staff for their hard work and dedication in this regard. I would also like to express my thanks to the witnesses, who gave up their time and often put substantial effort into giving evidence to the inquiry. Many witnesses travelled vast distances to have their say at the hearings, and their stories gave vivid colour to the kinds of issues that the committee was inquiring into.

This inquiry was an open process and allowed people with something to say to express their views on issues like the upcoming
privatisation of Telstra and the adequacy of Australia’s current telecommunications regulatory regime. Unlike the minister’s stage-managed listening tours of rural and regional Australia, this committee has actually gone out and heard the real story on Australian telecommunications services. In this regard, there is one area of the report that I especially want to speak to today, and that is the current standard of telecommunications services in rural and regional areas.

From the evidence heard by this committee, it is clear that telecommunications services in rural and regional Australia are far from adequate. After nine long years of the Howard government promising to bring rural and regional telecommunications services up to scratch, services in the bush are still so bad that regional businesses are being forced to flee the bush for the cities. The committee also heard many stories of the shockingly low levels of service provided to Australians in rural and regional Australia. Mr Michael Davis and his wife drove 500 kilometres to Dubbo to outline their concerns to the committee—that is, they drove 500 kilometres in both directions just to appear before the committee. They said:

The government promised a 19.2 kilobit service on a dial-up. We still cannot get 19.2 on a dial-up. We can only get 10 or 11 ... We have lost voice quality.

Similarly, the Mayor of the Narromine Shire Council told the committee:

Every three months we send our stuff to our accountant. It takes me over half an hour to email my little bit of info to the accountant ... I punch it in and go and make a cup of tea and have a sandwich and come back 20 minutes later and it is still whirring away, sending the email. That is the level of service we have.

Senator McGauran—Did you ask him the question: how many pages?

Senator CONROY—You are welcome to meet the Mayor of the Narromine Shire Council and have a discussion with him about it. I will give you his phone number and you can have a chat with him.

Senator McGauran—It’s a fair technical question.

Senator CONROY—Unlike you—

The ACTING DEPUTY PRESIDENT (Senator Hutchins)—Order! Senator Conroy, please direct your remarks through the chair.

Senator CONROY—Just to respond to Senator McGauran, without being drawn into an across-the-chamber debate—and I accept your admonishment, Mr Acting Deputy President—I will repeat what the Mayor of the Narromine Shire Council said:

It takes me over half an hour to email my little bit of info to the accountant.

The report catalogues damning evidence of the impact of Australia’s dilapidated telecommunications network on rural and regional communities. Disturbingly, the committee heard evidence that some businesses in rural and regional areas were being forced to consider relocating to metropolitan areas due to poor telecommunications service levels in rural and regional areas. Mr Joe Knagge from KNet Technologies, an IT company with offices in Dubbo and Orange, stated:

I can see that, in five to 10 years, if I do not have access to the very latest technology, then I will no longer be able to compete in the marketplace I play in, which includes the Sydney market, and I will need to move my business to Sydney. I just do not want to do that. I have always lived in regional Australia. I love regional Australia and so do all of our staff. I do not want to be faced with a move to the city, and that is why I am here today.

Jeffery Caldbeck, from the Dubbo City Development Corporation, described one example where relocation had occurred:
It was a home based business that really needed fairly substantial bandwidth to operate. Because of the inability for ADSL services to be provided, this family—both husband and wife worked in the business—relocated to Wollongong.

Mr Robert Barnett, the Mayor of Narromine Shire Council in western New South Wales, described the difficulty of running a rural business without access to broadband:

I am a wheat farmer—

Senator McGauran, you should pay attention to this—

and I am a cattle producer.

Senator McGauran—Where was he from?

Senator CONROY—He is from the Narromine Shire Council. He said:

In the wheat industry now, every day when wheat is delivered we download those loads and we try to market it. I cannot do that at home. I do a day’s work and come home at night, then I go into town—

that is 30 kilometres away, just for your information—

to my daughter’s place to access the information, because I can do there in 10 minutes what I cannot do in an hour at home.

After a hard day’s work he drives 30 kilometres into town so he can use a decent level of broadband service. He said:

The National Livestock Identification System is coming online in the cattle industry as of 1 July. We will be required to record through the internet the movements of these cattle but we do not have the infrastructure to do it, so we are really getting in a bind.

Similarly, in Western Australia, Mr Gary Chappell from the Peel Development Commission told the committee about the reliance by dairy farmers on broadband:

When I was at Waroona, a farmer gave me an example. He has little electronic readers and the cows have things on their ears.

You would be familiar with that, Senator McGauran. I understand the National Party have one on you to keep track of you in the building.

Senator McGauran—They have one on Barnaby!

Senator CONROY—Yes, one on Barnaby as well. Mr Chappell went on to say:

He downloads information off the internet to upgrade his software to do all those sorts of things and to enter statistical information but he is on dial-up so he sits there and if it does not go through the scanner, I suppose, he is missing one somewhere and he will go hunting for it.

The committee heard the same story up and down the country, from Dubbo to Perth to Townsville: services are not up to scratch and they are hurting rural businesses and holding back rural towns.

It was also clear from the evidence heard by the committee that none of these problems will be solved by the privatisation of Telstra or the creation of a rural slush fund to finance National Party photo opportunities. In fact, many witnesses before the inquiry expressed serious concerns about the privatisation of Telstra. Prominent telecommunications industry analyst Paul Budde noted:

It has become very clear that the government’s position on T3 is certainly not geared towards the best interests of the country.

Mr Charles Britton from the Australian Consumers Association noted:

Unleashing a private monopoly into an uncertain regulatory environment seems to us a dubious public service.

Mr Paul Askern from Townsville City Council stated:

Once Telstra is completely privatised it has the potential to become the ‘gorilla’ in the marketplace. This could have a range of adverse implications for consumers, residential and commercial.

In the face of the evidence revealed in this report the fact that the government’s only
priority in telecommunications remains forcing through the sale of Telstra shows just how out of touch this government is.

In the context of the present debate over the privatisation of Telstra, the evidence in the report being tabled today is a timely reminder for those who will be voting on the sale about the issues that really matter. Those people who purport to represent the interests of Australians in rural and regional areas should take note of the evidence in this report when considering the sale of Telstra. They should ask themselves: if services are so bad in rural and regional Australia that people are being forced off the land and into the cities, how bad will they get once Telstra is privatised?

Senator LUNDY (Australian Capital Territory) (11.16 am)—I too would like to comment on this report upon its tabling in the Senate today. Like Senator Conroy, I believe that it sends a very clear message to government senators and other senators about the dire consequences that will follow if Telstra is to be fully privatised. As we have heard, the evidence from one end of the country to the other describes the pitiful state of telecommunications services. The inquiry looked at the regulatory environment that the minister has been so inclined to mention in recent times in the context of this debate, saying that the regulatory environment will be there regardless of who owns Telstra. The evidence says otherwise. The evidence says that we are in a bad state now, even with the residual public ownership, as far as services in the bush go—and more work needs to be done there—but it will become far worse if such a dominant, arrogant carrier such as Telstra is unleashed in a fully privatised manner. We need to look no further than the new CEO’s recent claim that Telstra will stay in the bush. Was there any question of it not servicing rural and regional Australia? That should stir the suspicions of National Party senators and of all those who live in rural and regional areas of Australia. Was there ever a question about Telstra servicing those areas? I would have thought not, but that question is now on the table. In many respects we all represent rural Australia. I have many constituents in the ACT—people tend to think of Canberra as a bit of a city state—on the outer metropolitan fringe and in rural areas who are directly impacted upon by Telstra’s failings in this area.

I would like to turn to our detailed investigations of that regulatory environment, particularly relating to anticompetitive behaviour and access to the existing regime. Both of those areas are crucial for the successful operation and delivery of services, again particularly in rural and regional Australia. The conclusion of the committee, based on the evidence, states:

The weaknesses of the current regulatory regime lie in the ability of Telstra to mask where the delineation between its wholesale and retail prices occur; the ACCC’s limited capacity to prove anti-competitive conduct—and the reluctance of many witnesses to provide the ACCC with evidence for prosecution—and ultimately the fact that the ACCC’s power to impose only financial penalties is not an adequate deterrent to anti-competitive behaviour. Consequently Part XIB of the TPA does not appear to provide the regulator, the industry or the wider...
community with confidence in the anti-
competitive regime.
That conclusion speaks for itself. I seek
leave to continue my remarks later. (Time
expired)
Leave granted; debate adjourned.

**BORDER PROTECTION
LEGISLATION AMENDMENT
(DETERRENCE OF ILLEGAL
FOREIGN FISHING) BILL 2005**

Consideration of House of Representatives
Message
Message received from the House of Repre-
sentatives returning the Border Protection
Legislation Amendment (Deterrence of Ille-
gal Foreign Fishing) Bill 2005, informing the
Senate that the House has agreed to amend-
ments (3), (5) and (8) made by the Senate
and has disagreed to amendments (1), (2),
(4), (6), (7) and (9) and requesting the recon-
sideration of the amendments disagreed to.
Ordered that the message be considered in
Committee of the Whole immediately.

**Senator ABETZ** (Tasmania—Special
Minister of State) (11.22 am)—I move:
That the committee does not insist on the Sen-
ate amendments disagreed to by the House of
Representatives.

**Senator O'BRIEN** (Tasmania) (11.22
am)—Labor are disappointed that the gov-
ernment has decided to use its numbers to
overturn important amendments to the Bor-
der Protection Legislation Amendment (De-
terrence of Illegal Foreign Fishing) Bill 2005
that were made in this chamber only a few
weeks ago. Labor will now reluctantly be
supporting this bill, as amended, because we
see it as vital that the detainees be housed in
a shore based facility, rather than on their
boats in Darwin Harbour.

It has taken the government too long to
get to this point. In additional estimates hear-
ings in February the minister told the com-
mittee that the facility would be up and run-
ing by August. Then in budget estimates he
said that it was his goal to get it operational
by the end of the year. Frankly, any respon-
sibility for delays lies fairly and squarely at
the feet of the government and the minister,
and certainly not at the feet of the public ac-
counts committee, the Labor Party or anyone
else that the minister has tried to blame for
his failure to get this project completed in a
timely fashion.

The rationale behind Labor's amendments
to this bill was canvassed at some length at
earlier stages of debate on this bill. It became
clear during the Rural and Regional Affairs
and Transport Legislation Committee’s in-
quiry into this bill that senators from both
sides of this chamber have real concerns with
aspects of this piece of legislation. Those
conscerns were reflected in the committee
report and were reinforced, I might say, by
the additional comments made by Labor
members of that committee.

I am particularly disappointed that the
government has decided to reject Labor’s
amendment relating to who may be ap-
pointed to undertake fisheries detention
tasks. As I said in my speech in the second
reading debate, Labor has serious concerns
about the provision in the bill that permits
the minister to engage private contractors to
perform fisheries detention tasks and those
that further permit the Australian Fisheries
Management Authority to authorise private
contractors to perform critical screening,
searching, identification and detention func-
tions. The amendments proposed by Labor
dealt with those concerns by removing the
provisions that allow for the engagement of
private contractors.

Recent revelations about the performance
of private contractors in running migration
detention facilities and especially in exercis-
ing power over detained people have added
weight to Labor’s view that only federal, state or territory public employees should be engaged in this task. For example, the case of the five immigration detainees who were denied adequate food, fluids, rest, exercise and even toilet facilities during a very long drive in a van while being transferred from Maribyrnong to Baxter detention centre raised real questions about the appropriateness of giving detention powers to private contractors.

In the committee inquiry into this legislation we heard that there was no certainty as to who the contractor might be and therefore no certainty as to the ethics required of or observed by those contractors in the future, were there to be a change from what was thought might be the outcome of the tender process for such a contract. We have not resiled at all from our concerns about the role of private contractors in this important activity, bearing in mind that Australia has obligations to deal properly with and observe the rights of all persons, be they citizens or not, in being detained and in being transported.

In saying that, let me say that we do welcome the decision of the government to adopt Labor’s amendments relating to the training of officers. Labor senators on the committee shared government senators’ concerns about the failure of the bill to provide for minimum staff training. The effect of Labor’s amendment is to ensure that officers carrying out functions under this legislation are adequately trained for the task by undertaking a training program set out in a disallowable instrument. I am assuming that the government will provide some real hurdles in such a training program so that there is a real training outcome rather than some mickey mouse outcome. I give the government and the department credit for what I believe will be an intent to construct such outcomes, but we wait and see. Because it is a disallowable instrument, the parliament will be able to ensure that the training program provides officers with the skills and knowledge that they need. Labor will be watching that closely and will be drawing to the attention of the parliament and the public any perceived deficiencies in such a scheme.

There is a decision by the government to adopt the amendment proposed by the Australian Democrats and supported by Labor to ensure that the detainees are informed of their right to have access to legal advice and assistance. It was regrettable that we had to move such an amendment. I welcome the decision of the government to concur with the views of Labor and the Democrats on this issue. It is a fundamental issue of basic human and legal rights. We were disappointed that this matter was not properly provided for in the original legislation. We are pleased that the government has seen fit to recognise the validity of the concerns which were raised. This is one of the matters which leads us to the view, along with the view that we prefer that detainees be kept in an onshore facility rather than detained on their boats in Darwin Harbour, that this legislation should now be supported by the opposition.

Senator BARTLETT (Queensland) (11.29 am)—As the Minister for Fisheries, Forestry and Conservation and the shadow minister would know, the Democrats did not support the Border Protection Legislation Amendment (Deterrence of Illegal Foreign Fishing) Bill 2005 in the first place, for reasons I went into at great length when we debated it back in June, so I will not repeat those arguments now. The simple fact is that, whilst the principle of harmonising the legal and administrative regimes surrounding detention of illegal fishers with the regime surrounding migration detainees has some sense, the concept of harmonising this with a migration regime that has clearly been shown to be dysfunctional is one that we...
think is unwise. We think that until the migration detention regime is dramatically improved we should not be harmonising it with anything. However, our view is a minority one.

The question before the chamber today is whether or not the Senate should insist on the amendments to this bill. The government has not accepted the amendments that were made by the Senate—the Labor Party amendments regarding the contracting out of detention arrangements for people in fisheries detention. As I said at the time, there are two competing principles there. We do not support and have never supported contracting out of the detention arrangements. More and more has come to light in recent times about major problems with the private operators who manage our immigration detention regimes. Indeed, a couple of very serious proven or accepted allegations have come to light since we last debated this bill concerning major mistreatment of detainees by GSL, the company that operates the mainland detention centres in Australia. So the principle of contracting out to companies like that is clearly not a good one, and that is why the Democrats have never supported it. But of course this bill does not go to that; this bill goes to fisheries detention.

The competing principle is the administrative effectiveness of having the same group of people being able to manage both areas when there is such an overlap. I can see the competing arguments there. The government is saying that if we have private operators managing immigration detention centres it does not make any logical sense to not have them also being able to manage fisheries detention. Our view is that the principle is flawed, regardless. We welcome the position of the Labor Party of not supporting contracting out and welcome the opportunity to continue to push for that arrangement to be removed from immigration detention.

I should say, in making the point, that this is not to suggest that there were not problems with the management of immigration detention when it was done by public officers. But the fact is that, when those problems occur, they are much more able to be identified and investigated because the processes are much more transparent than current arrangements. It is far more difficult to establish the veracity of allegations if there are failures by private contractors running immigration detention centres than it is if there are failures by public officials. It is a transparency issue as much as it is a suggestion that the public sector will always do it better than the private sector. Those are wider issues. The simple question is whether or not these amendments should be insisted on. The Democrats supported them at the time, of course, and the competing principles are still the same now as they were then. Given the circumstances, we do not see any reason to modify our view.

I do note—and indeed welcome—the government’s decision to accept the Senate amendment that I moved in relation to the legal advice available to fisheries detainees. This is something that the government opposed in this chamber at the time. Senator Ian Macdonald opposed it. I urged him at the time to listen to reason and not just instinctively oppose whatever we put forward. Clearly, after the fact, the government have thought about it, exercised some reason and accepted the amendment—even when, with the numbers the way they are now, they are not obliged to do so. I acknowledge and thank them for that. The minister in the other place, Minister McGauran, said:

The original bill had ... ensured that all detainees had the right to request access to reasonable facilities for obtaining legal advice.

The Democrats’ concern is that it should not be a matter of people being able to request access; they should be given the information about their legal rights, rather than our just
sitting back and waiting to see whether or not they actually know to ask for it. I am pleased that the government has acknowledged that principle, although the rationale given by the minister in the other place was that in practice the Australian Fisheries Management Authority already informs all fisheries detainees in their own language of this right upon their arrival in Australia. Therefore, the government accepts the Democrat amendment, as it is evident that the existing practice will satisfy the legislative requirement. I am pleased about that—I am pleased that it is the existing practice and I am pleased that it is still in the law so that the existing practice cannot change.

What I am still displeased about is not anything the current minister can do anything about, and that is that this is not the situation for immigration detainees. The same principle should apply. Immigration detainees—people who arrive here and are put into immigration detention or, indeed, people who are in their community and then are taken into immigration detention—should be, as a matter of course, informed of their legal rights. They should not be in a situation where they have to ask for information to be made available to them. That change was specifically made by this government with the support of the Labor Party back in about 1998, with the specific aim of making it more difficult for immigration detainees to get access to legal advice about their rights.

I make the point that, seven years on, the record shows that that has not had the effect the government desired. I will make this point a bit more in the debate on another bill that will be before the Senate shortly. The effect has basically been that people’s claims were not properly put in place in the first place and, in many cases, it has simply meant that people have been in detention for a lot longer, at a much larger public cost and with much more suffering for them. There have been appeals right through to the courts for people who have then established that due process was not followed. They have gone back and finally put in a proper claim, which they could have done in the first place, with decent legal advice, to get the same eventual outcome.

So it is actually counterproductive—whatever your rationale is—to deny people information regarding their legal rights. We should not be steering people away from their legal rights or see them as a negative. They are genuinely there to protect not just the people who have a legal right but the community and to ensure that the process works effectively. When people do not have legal rights and when the legal rights situation is unable to be addressed by the law in a positive way, it helps to let them know that at the start—that they will not be able to stay, that they will not be able to do this or that and that certain other things will happen, and that that is how the law operates. They should be told all that at the start—the bad and the good. It helps everybody, not least the taxpayer and the people who deal with immigration detention.

I welcome the government’s acceptance of that amendment. I hope that it is a sign—even though it is handled by a different portfolio—that this practice, in principle, might be reapplied to the Migration Act where it is so sorely needed. With those words, I nonetheless note the government’s acceptance of the Democrat amendment that was passed by the Senate. In some ways it is a minor amendment, but it is an important one. I also welcome, as was stated, that it is an existing practice of the Fisheries Management Authority. Overall, it is a good thing that there will be clear opportunities for fisheries detainees to be housed on land rather than in boats. That matter has certainly been of concern to not just many people in Australia—
and of course the people who are detained—but also the Indonesian government. It was raised fleetingly with me when I was in Indonesia a couple of months ago, so I am pleased that, via a circuitous process and for different motivations and reasons, we will get to that circumstance. That is a small step forward. It does not address some of the systemic problems with migration, but it will at least bring about an improvement in the physical conditions for fisheries detainees.

Senator IAN MACDONALD (Queensland—Minister for Fisheries, Forestry and Conservation) (11.39 am)—I thank the two previous speakers for their contribution, and I am pleased that it seems this bill will at last be passed and come into law. It is part of the Howard government’s determination to properly protect our borders, be it against people smugglers, for quarantine purposes or against illegal fishing in Australian waters. The Howard government have a very strong record in combating illegal fishing and we have made very significant inroads into illegal fishing in the Southern Ocean, as I think all senators will accept. We are grappling with a real problem in the north of Australia, which has been made more difficult by the fact that previous legislation dealing with illegal fishing in the Torres Strait did not align with the immigration acts and did not allow for the seamless transition between fisheries and immigration detention that is needed to properly protect our fisheries.

Our government are determined to do everything that we can to enhance arrangements and give powers to our officers and officials to do their duties in the best possible way, and that is what the Border Protection Legislation Amendment (Deterrence of Illegal Foreign Fishing) Bill 2005 is all about. I was rather disappointed that the Democrats and the Labor Party joined together in, I think, May or June to prevent the bill being passed then, even though they knew at the time that the government would have a majority in August and, regardless, it would then be approved. The delaying tactic has disrupted the process of our officials in trying to perfect that seamless transition between Fisheries and Immigration and also in trying to bring together those consistencies between the Torres Strait Fisheries Act and the Fisheries Management Act and, where appropriate, the relevant migration acts.

Last time the government accepted the amendment regarding training, and we did that very happily. It was pointed out by the Senate committee. The practice already occurred but, in the spirit of goodwill and given the fact that we will always listen to sensible amendments, we agreed to do that. We had the same view about the requirement to give advice but, as those senators who partook in the debate might recall, we debated for some time the amendment regarding training and had agreed to it quite happily. We then went on to debate the issue of not allowing independent contractors to be fisheries officers or immigration officers.

At one stage I recall saying that I had almost convinced Senator Bartlett that he should have agreed but, as it turned out, it became clear that the major amendment which the government could not accept would be insisted upon by the Labor Party and the Democrats. So at that point it became pointless to deal with other amendments, knowing full well, as I did, that the matter would come back to the Senate after the winter recess. As I said, notwithstanding the fact that we were always happy to accept the amendment regarding the requirement of advising that legal advice was available, we did not deal with it at the time because it was quite clear it would come back.

Again, we happily accept that amendment of the Democrats, even though, as Senator Bartlett has quite rightly raised, we do not
need to at the moment. The government have a majority in the Senate, but I think this is a demonstration of the fact that the government will always use the majority we have been fortunate and privileged to have been given by the Australian people in a sensible and wise way.

This amendment deals with a task that my officers already undertake, but the Democrats and the Labor Party required it to be in the legislation. We are happy enough to do that because, as I said, it is something that occurs as a matter of course. We will always accept sensible amendments from opposition parties. I think it clearly demonstrates that the government will use its majority in the Senate in a very sound and moderate way and in a way that enhances the running of the parliament and, hopefully, will lead to a better government for the people of Australia. I thank senators for their contribution and urge that the bill now proceed with the two principal amendments that have been recommended so that we can get on with our business of properly protecting and defending Australian fisheries everywhere but, particularly in this instance, in the north of Australia.

Senator O’BRIEN (Tasmania) (11.45 am)—I only rise on this matter to take issue with the minister’s assertion that the delay in the passage of this legislation prevented officers from doing any preparatory work on this matter. If one looks at the Hansard, one will see that the minister admonished Labor and the Democrats for pursuing an amendment on the basis that we should have and would have known that the amendment would come back here in August because the government did not agree with it and it would be overturned. If that is something we should have known, then clearly the minister and his department knew that the government intended to bring the matter back in August and, with the government’s numbers in the Senate, would have been able to enforce its view. Therefore, I see it as a particularly difficult point for the minister to make, to suggest that somehow, because we then insisted on the amendment, it prevented officers from doing the preparatory work which might be needed on contractual material to allow these facilities, which are not yet ready for occupation, to be ready at the end of the year. I have never assumed that the capacity of the minister’s department is so lacking that it could not have done the preparatory work in any case, and I am almost sure that they have done a fair bit of it. I could go through the process of asking the minister what work has been done. Perhaps I will in a written form. I will think about that. However, I do think that it is somewhat gilding the lily to suggest that this process has been an impediment to the department doing its work.

I will refrain from entering into the debate about what the government acceding to a very sensible amendment means in this process. I think the reality was pointed out by Senator Bartlett. Although the officers may now have a practice of advising detainees of their rights, that is not a right until it is contained in legislation, and, given that there is the propensity under this legislation for work to be contracted out and for others to do it, we much prefer that that obligation continues, whoever is doing the work. So we think that it is very important that the right be enshrined in legislation. I do not propose to hold this legislation up by further debating the matter, but we did say that we were concerned about the appropriateness of the current detention regime. It has taken some time to get to this point. We are two and a bit months down the track from when the matter was last debated. It will clearly be passed today.

Senator IAN MACDONALD (Queensland—Minister for Fisheries, Forestry and Conservation) (11.48 am)—I thank Senator
O’Brien for that. His understanding of the facts and of what might happen are different to mine, but it is not a point to debate now. I am pleased that we will be able to move on with the legislative backing we need to do what needs to be done to properly protect Australia’s borders and fisheries.

Question agreed to.
Resolution reported; report adopted.

BUSINESS

Consideration of Legislation

Senator IAN MACDONALD (Queensland—Minister for Fisheries, Forestry and Conservation) (11.50 am)—I move:

That the government business order of the day for 18 August 2005, relating to the Skilling Australia’s Workforce Bill 2005 and a related bill, be made an order of the day for a later hour.

Question agreed to.

SKILLING AUSTRALIA’S WORKFORCE BILL 2005

SKILLING AUSTRALIA’S WORKFORCE (REPEAL AND TRANSITIONAL PROVISIONS) BILL 2005

Second Reading

Debate resumed from 16 June, on motion by Senator Ian Campbell:

That these bills be now read a second time.

Senator WONG (South Australia) (11.50 am)—I rise to speak on the Skilling Australia’s Workforce Bill 2005 and the Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005. This legislative package before the Senate today represents the dismantling of Australia’s national vocational education and training system—a system established by Labor over a decade ago. Labor’s national training system was built on a shared belief in cooperative federalism, where meeting Australia’s skills needs came before petty politicking. However, under this government those principles have been swept aside by an out-of-touch executive government which is intent on imposing its extreme agenda on all those who come before it.

After nine long years of the Howard government, Commonwealth-state relations have been reduced to political grandstanding and cheap point scoring. Unconcerned by policy outcomes, this government’s motivation seems to be about increasing their control and power but without responsibility and accountability. This attitude is nowhere better typified than in the areas of education and training. The new vocational education and training arrangements outlined in the Skilling Australia’s Workforce Bill redefine the Commonwealth-state relationship. The bill contains unprecedented legislative prescription over how state and territory governments must organise their vocational education and training system. Unlike the previous ANTA agreements, which were agreements in the true sense of the word—where people, institutions and different levels of government actually agreed—the new skilling Australia’s work force funding arrangements force compliance with little consultation, but when issues of maintaining quality or consistency arise with our vocational education and training system the Howard government points the finger and offers no solutions.

The statutory conditions detailed in division 2 of the Skilling Australia’s Workforce Bill are breathtaking in the breadth of their scope and in the level of minute operational detail they seek to enforce. The funding appropriated by section 40 of this bill to skill Australia until the end of 2008 is manifestly inadequate. There is no significant new general growth funding. Increases on current levels are mostly redirected and reallocated funds, save for a small number of targeted places under the so-called Welfare To Work program announced in the last budget. As I have said previously, both in this place and
publicly, the number of places that this government has chosen to allocate to those persons who will now be required to look for work under their welfare changes is manifestly inadequate.

The Howard government should be concerned about the bigger picture of using increased investment to boost skill levels to drive further productivity gains, not whether TAFE institutions are encouraging or discouraging union membership amongst employees. As in so many other areas of policy, we see a government distracted from the task of national leadership and ensuring that we lock in the drivers of future productivity growth in this country, leaving Australia unprepared because of its obsession with its narrow and extreme ideological crusade.

Sadly, the Howard government’s new Senate majority will not be used to ensure we have a strong economy creating wealth and security; instead they are obsessed with ideological pursuits and settling old scores. They are ideological agendas that bear no relation to the policy outcomes they purport to pursue. They are extreme agendas that are disconnected from what should be the government’s number one goal—training Australians and solving the nation’s skills crisis.

In the latest survey of monetary policy the Reserve Bank once again highlighted the risk posed by our worsening skills crisis. This is a crisis that has developed under this government; in fact we say it has been created by this government. Yet this government still refuses to acknowledge its magnitude. The Minister for Vocational and Technical Education is unable to admit the severity of Australia’s skills crisis. During debate on this bill in the House he maintained that there is limited evidence of economy wide skills shortages, yet we have had everyone from the Reserve Bank to the OECD shouting warnings.

New figures show that the Howard government has simply dropped the ball when it comes to training Australians. During 2004 major indicators of skills development were in decline. Figures from the National Centre for Vocational Education Research show the number of people who undertook vocational education and training in 2004 was 1.6 million, down from 1.72 million people in 2003. This is a drop of 122,000 people. This is at a time when we are experiencing demonstrable skills shortages. The NCVER figures show the number of students fell by 7.1 per cent in 2004 compared to 2003, while the total number of hours of teaching delivery also fell by 2.6 per cent. This is the first decline in both of these measures of training activity in more than a decade. Over the same period other figures from the NCVER show a 4 per cent drop in the number of Australians in apprenticeships and traineeships.

These are damning statistics and they highlight this government’s failure. While our national skills base drops this government has decided to discard our national training system. This is a breathtaking triumph of ideology over good public policy. Instead of national leadership at a time of skills crisis—when we need to lock in the future productivity growth of this country, increase our human capital, invest in our people and train Australians—we have an extreme agenda focused on things such as AWAs.

The bills before the Senate dismantle the cooperative tripartite national system established by Labor in 1992 under the auspices of the Australian National Training Authority. The Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005 abolishes ANTA and repeals the Vocational Education and Training Funding Act. The opposition senators’ report from the recent Senate inquiry into these bills emphasises the contrast between the creative policy proc-
esses which preceded ANTA and led to its creation, and the complete absence of any policy debate associated with the government’s decision to abolish ANTA and virtually stop real growth funding for the TAFE sector. The government’s modus operandi is to abolish first and hope for solutions later. ANTA’s demise was affected not by consideration, evaluation or review, but by one line on page four of a prime ministerial press release announcing the fourth Howard ministry. With one prime ministerial decree more than a decade’s worth of cooperative federalism and a tripartite national training system have disappeared into the memory hole.

Before this repeal legislation had even come before the Senate, the functions of ANTA had already been transferred to DEST, staff moved across and ANTA’s website shut down. All this action has been on the basis of a prime ministerial press release, preempting the Senate’s consideration of this repeal legislation. It appears that in this new order, in this new Howard government era of Senate control, the Prime Minister can now shut down a statutory authority without first securing the concurrence of parliament by means of passage of the legislation he ostensibly requires to do so. What an outstanding example of the arrogance and contempt with which the Howard government treats this parliament, and in particular this chamber.

Labor believe that our national training system should be supported by a strong, independent, tripartite body able to provide broadly based advice to the entire sector. Training our current and future work force should be a partnership between all involved: government, industry and workers. Given the government is not willing to honour these principles in the new system it proposes, Labor will oppose the bill to repeal ANTA and its associated national arrangements.

The Howard government’s record on funding of vocational education and training is shameful. After coming to office in 1996 it made savage cuts to the VET system and our current skills crisis is a direct result of its cutbacks. In 1996 and 1997, the Howard and Costello budgets reduced VET grants, abolished real growth funding and reduced training expenditure by $240 million. In the 1997-98 budget the government abolished a stand alone national skill shortage strategy. With the benefit of the hindsight of history, how short-sighted a decision was that? In 1998 the ‘growth through efficiencies’ policy effectively froze Commonwealth VET funding resulting in a loss of growth funding estimated at around $377 million over the period from 1998 to 2000. The current government’s VET funding offer to the states and territories for the next four years, appropriated by this bill, contains no significant new money.

Labor cannot support the so-called Skilling Australia’s Workforce Bill when it does not even provide enough funding to meet Australia’s skill needs. This was summed up by the ACTU in its submission to the Senate in the inquiry. It said that the level of funding ‘demonstrates a disregard for the need to address skills shortages by providing for additional training places within TAFEs and the demand of business for more skilled workers.’ Yet again, this bill does not address the growing unmet demand for TAFE places. It does not provide the additional places in the traditional trades required to meet industry’s skills needs. It does not do enough, and Labor do not support it. We call on the government to properly fund vocational education and training in this nation and we call on the government to train more Australians.

Section 12 of the Skilling Australia’s Workforce Bill contains one provision in particular that Labor cannot support. Paragraph (1)(b) forces TAFE colleges to offer
Australian workplace agreements. Labor believes that the government’s ideological industrial relations crusade has no place in legislation about funding vocational education and training. It is extraordinary that this government, who say they are about freedom of association and that they are going to introduce legislation in this parliament to protect the rights of students to not have to participate in the student services fee, are now saying to the TAFE sector, the vocational education sector, in this country, ‘We’re going to withhold money from you unless you make people go onto Australian workplace agreements.’ Where is the freedom of choice in that?

Senator Ian Macdonald interjecting—

Senator WONG—You were the one, Senator Macdonald, who stood up for freedom of choice and what you are doing here is holding a gun to their head. You are saying—

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—I remind you to address your remarks through the chair, Senator Wong.

Senator WONG—Through you, Mr Acting Deputy President, the government are saying, ‘We will only pay the money if you do the right thing by us; if you implement our radical industrial relations agenda.’ It is an appalling thing to be imposing on our TAFE system. As the Australian Education Union noted in their submission to the recent Senate inquiry:

The Bill seeks to inhibit the right of education workers and state and territory governments to reach industrial agreements which best suit the culture and situation of each state or territory system. Similarly, where industrial bargaining has been devolved within a state TAFE system to an institutional level, the legislation would inhibit the right of those institutions to negotiate terms and conditions which best suit the needs and interests of their particular circumstances.

I thought that was exactly what the government’s industrial relations agenda was supposed to be about—actually giving freedom to employers and employees to negotiate conditions at the workplace. But apparently that is not the case in TAFEs. In the case of TAFEs, the government say, ‘We will withhold money unless you put people on AWAs.’ I will be moving an amendment to delete this requirement. Should this amendment be unsuccessful and not have the support of the chamber, Labor will oppose this legislation.

Instead of attempting to recast the VET system in its own image, the government should launch an immediate investigation into its sham New Apprenticeships scheme. The results of a recent survey into outcomes from the New Apprenticeships scheme were denied to this chamber following a return to order request. The government was willing to show the Senate the survey questions asked but not the answers received. It took a freedom of information request by the opposition and repeated media inquiries for the government to sit up and take notice and finally reveal the survey’s damning conclusions. The survey revealed that 25 per cent of people who completed a New Apprenticeship did not receive any training at TAFE or a similar institution, or from an external trainer who came into the workplace. The research also reveals that 15 per cent of people who have completed a New Apprenticeship are still looking for work. It also found that 20 per cent of people who do not complete the New Apprenticeship say it is because they are not happy with their training. These results are unacceptable.

Instead of dismantling the national training system, the government needs to admit that its policy decisions with respect to the New Apprenticeships scheme have undermined quality training in this country. When it should be addressing Australia’s skills cri-
sis, the Howard government is being distracted by its own ideological obsessions. There is a real danger that the industrial relations agenda the government is blindly pursuing could have a significant detrimental impact on ensuring we train enough young Australians. Undermining collective bargaining will place our most vulnerable workers most at risk. Young apprentices are in an unenviable bargaining position. Most are inexperienced and unsure of their rights, let alone aware of industry and community standards. Many are in small businesses without significant collective workplace support, especially from more experienced non-managerial older workers who can act as mentors.

If this government succeeds in cutting apprentices’ conditions, apprenticeships will become less appealing to young people. The Howard government’s extreme and divisive industrial relations changes threaten apprentices’ penalty rates, tool allowances, overtime and basic standards and conditions. Under the proposed changes, if apprentices work in a business with fewer than 100 people, they will have no protection against unfair dismissal and they will have no job security. We could actually see fewer young people doing an apprenticeship if their working conditions are stripped away by this government’s ideological crusade. We are already seeing individual contracts drive down wages and conditions for apprentices.

How are we to attract younger Australians into training by offering a first-year apprentice rate of as little as $6.90 per hour? This is a rate currently offered in an AWA to a first-year hospitality apprentice in Perth. Worse than being an appalling low hourly figure, it is an all-up rate. It is a rate that is supposed to include a component for sick pay, public holiday pay, weekend and late penalty pay and split-shift allowance. So that is $6.90 an hour, with no penalty rates, working 40 hours a week. It is hardly an incentive to train, particularly at a time when we are experiencing a skills shortage. It is little wonder low wages consistently emerge as a significant deterrent to young people taking on an apprenticeship. Low wages are also a considerable factor contributing to the high dropout rate. We should be paying our young apprentices more, not less.

Furthermore, this week we have seen reports that the Australian Chamber of Commerce and Industry want to make apprentices easier to sack. In a secret report commissioned by the Department of Education, Science and Training, detailed in the Financial Review, the ACCI wrote that businesses should not be forced to retain an apprentice once they have finished their qualification. Undermining job security, another by-product of the government’s proposed IR changes and central to this secret ACCI report, would have the effect of reducing the number of apprentices and exacerbating our already deep skills shortages.

Instead of funding more TAFE places with these bills, the Howard government is seeking more control over the minute operational detail of TAFE management. Instead of encouraging more young people into apprenticeships, the Howard government is driving down apprentices’ wages and threatening their job security. The Howard government’s failure underscores the need for urgent action to address our worsening skills crisis to ensure the nation’s future economic prosperity.

Labor believes that the government must reach a new accord with the states and territories on vocational education and training policy. We need a new national framework involving representatives of employers and employees, designed to meet the skills needs of the Australian economy and to ensure that Australians in training have high-quality transferable skills. Most importantly, funda-
mentally and basically, Labor demands that the Howard government increase the funding available through the Skilling Australia’s Workforce Bill 2005 to meet Australia’s serious skills shortages.

There are around two million Australians looking for work or wanting more work. This includes 600,000 part-time workers who would like more work than they have. If you look at the ABS statistics on the labour underutilisation rate you will see that, when asked, a significant number of respondents identified a lack of appropriate skills as a factor in their inability to find work or find more work. Yet, at this time, what do we see? We see a government obsessed with an ideological crusade in the area of industrial relations and demanding that AWAs be the norm within our TAFE sector. The two million Australians looking for work or wanting more work should be upskilled and reskilled to meet the needs of our economy. Instead of relying on an imported skills quick fix, Labor believes in training Australians first and training more Australians now.

Senator NETTLE (New South Wales) (12.09 pm)—The Greens do not support the Skilling Australia’s Workforce Bill 2005 and the Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005 because we support TAFE. We support the excellent public vocational education and training sector. We support the great work that TAFE colleges and TAFE staff do, and we want to see that work recognised and appropriately resourced. This legislation does not support TAFE. In fact, it does quite the opposite. This legislation is a cruel attack on TAFE. It is an attack on the concept of a universal public vocational education and training provider. It is an attack on the states’ right and ability to manage the public vocational education and training system. Finally, it is an attack on the working conditions of tens of thousands of workers in TAFE colleges across the country.

If the Commonwealth government were generally motivated to ensure that Australians could access the best vocational education and training then the first thing that they would do would be to ensure the viability of the public TAFE system. The public expects this, because TAFE colleges are widely recognised as cornerstones of our community. A huge proportion of Australians have benefited from education at a TAFE college. There are currently 1.7 million Australians enrolled in TAFE and millions more who are ex-TAFE students. These people well understand and appreciate the accessibility and affordability, comprehensiveness and quality of the system.

When I worked as a youth worker I saw young people getting their second chance at education. They had not finished their schooling, and they were thrilled to be accepted into the local TAFE at Granville to have the opportunity to compete their schooling there. Within my own family there are people who have needed to retrain as a result of workplace injuries, and they have been able to turn to TAFE to get that retraining opportunity for themselves. I have also seen people, again within my own family, who have retired from previous employment and have been able to enrol in TAFE courses that have provided real opportunities for them in their retirement.

Those of us with a more intimate knowledge of the TAFE system from a public policy point of view share this understanding of the importance of TAFE and add to this an understanding of TAFE’s enviable reputation when compared to vocational education and training systems overseas. In 2004 the TAFE sector received an over 80 per cent satisfaction rating from employers and an over 85 per cent satisfaction rating from students in a
survey that was conducted by the National Centre for Vocational Education Research. In completion and employment rates, the TAFE sector continues to come up with the goods, with over 75 per cent of students finding work on graduation and a further 11 per cent going on to further training. Twenty per cent of those graduates are in their first full-time job after training in TAFE and 13 per cent are in work after having previously been unemployed.

The public might also expect the federal government to be championing a major investment in the TAFE system, given its well-publicised views on the skills shortage that Australia faces. The Minister for Vocational and Technical Education said in his speech on the Skilling Australia’s Workforce Bill 2005:

... Australian businesses estimate that the most significant challenge to ongoing economic growth is the need for more skilled workers to meet demand.

He went on to say:

... there are indications that some parts of the labour market are moving towards full capacity.

Given that TAFE trains the overwhelming majority of vocational education and training graduates, including a significant proportion of apprentices, you would forgive Joanne Public for assuming that the Commonwealth would be preparing to back TAFEs to rise to the challenge of the skills shortage. But of course they would be wrong, very wrong.

The millions who understand the benefit of TAFE will be appalled to find that what the federal government are in fact doing is deliberately undermining the viability of the TAFE system. They are undermining it by threatening to withdraw a third of its funding, attacking the conditions of its staff and legislating to encourage further decreases in public funding into the future. This bill is quite breathtaking in its unabashed arrogance. This is supposed to be a bill about education, but when you look through the provisions of the legislation it is pretty hard to find many references to education. Instead, we see what is sadly becoming familiar to legislators in this place—that is, a list of threats and inducements tied to a wholly unrelated field of government policy: industrial relations.

This bill is a ransom note issued to the states listing a set of demands. The dynamic at play is one of: submit to our demands or the funding gets it! It seems the government is prepared to decimate the TAFE college system by withholding $4.4 billion in funding if the states and the colleges do not agree to implement the government’s simplistic and ideological industrial relations agenda.

The first major demand on this ransom note is about user choice. This is something that is not new to the Commonwealth dealings with the TAFE sector, and it is continued in this legislation. The coalition government is demanding maximum choice for employers and new apprentices. I have spoken in the chamber before about the flawed nature of the user choice and the user pays slogan, which the government passes off as public policy, but here I just want to note what the committee report on this bill said:

When the references committee looked at the VET system in 2000, it became clear that apprentices and trainees were not able to exercise their market power to any extent. They had insufficient information to make an informed choice. Employer choice, rather than a trainee’s choice, most often prevailed.

The second demand in this ransom note is about attacking organised labour in TAFEs. The bill says that in order for TAFEs to get the money that they need to survive, staff must be offered Australian workplace agreements, staff must have underperformance managed and performance pay must be introduced. This demand is of course part
of the broader government agenda on industrial relations that is about reducing the capacity of working people to organise collectively for their own benefit and the benefit of society, to instead further empower employers to exploit staff to the greatest extent possible. The government’s industrial relations changes make exploitation of workers and their families in this country easier.

This government believes that somehow Australians will be better off if employers can undermine working conditions, getting more work for less pay and play staff off against each other in a desperate race to the bottom. The most charitable view that we can take about all this is that the government genuinely believes that this dog-eat-dog free-for-all will magically make society freer, wealthier and happier when individual workers get richer as a result of one-on-one bargaining with employers. The less charitable view that we can take is that the government supports this ridiculous view because it suits the interests of employers, owners and investors who want to maximise profits, irrespective of the effect that this has on the quality of life of their employees. Just because TAFE colleges are not profit-making businesses does not mean that the government does not want to fit them into its simplistic economic plan. This bill seeks to make TAFEs fit into the government’s plan.

The next major demand on this ransom note is that TAFEs must be allowed to retain and increase revenue from industry and sponsorship, and states must provide capacity for TAFE institutions to develop entrepreneurial and commercially oriented business plans. The government clearly wants to see TAFE colleges focusing more on businesses rather than upholding their key role as places of public learning.

What is perhaps most shocking about that last clause is what has been removed from the latest form of the legislation. In an earlier version of the bill we are debating today, after the words ‘commercially oriented business plans’, the legislation had said ‘that will enable government funding to be reduced’. I will repeat that: in the original version of this bill the government was candid enough to include the requirement that commercial activities be fostered in TAFEs in order to ‘enable government funding to be reduced’. These words were removed because they were a drafting error, according to the government. It seems to me that the error was more one of honesty that one of fact. If anyone were in any doubt as to the intentions of this government for our fabulous public TAFE colleges then this drafting error should make it clear: they want TAFEs privatised, the staff deunionised, the courses dumbed down and the government price tag slashed.

The Greens are not surprised by the content of this bill. We have become familiar with the approach of this government and this minister which has cynically undermined the foundations of our public education system since 1996. The first pattern, for those who have not noticed it, is this: slash funding, deny growth funds, blame the states for lower funding and poor management and, after a few years of this, when the pressure on the system starts to bite and the resistance is low, force through a plan of deregulation, privatisation and antiunion measures—all this in exchange for access to desperately needed funds. This has been the approach of this government to public schooling and public universities and now to the TAFE sector. This strategy drives a bus through the cooperative federal relations which in the vocational education and training sector have been so successful in delivering quality education and training outcomes for both students and employers. Remember the 80 per cent satisfaction rating from employers and
the 85 per cent satisfaction rating from students.

The complementary bill that we are dealing with today abolishes the Australian National Training Authority, ANTA, which, as the committee report into this bill notes, a Senate references committee, with a coalition majority, that reviewed the establishment of ANTA 10 years ago represented it in their report as a good working example of cooperative federalism. But this minister is not interested in cooperative federalism and instead continues to use the Commonwealth’s funding powers to centralise control of education and force non-education related ideology onto the sector.

The Greens utterly reject this approach. We recognise the massive benefits that accrue to societies that have well-funded and accessible universal public education systems that encourage high-quality teaching and research. The Greens feel the urgent need to retain and reward the thousands of devoted and gifted staff that make our TAFE systems tick and to turn around the demoralising effects of the 10 years of underfunding and undermining that the Commonwealth and to a lesser extent the states have subjected TAFEs to. That is why the Greens oppose this bill and I now move the following second reading amendment:

At the end of the motion, add:

“but the Senate:

(a) Condemns the Government for introducing legislation that would undermine the quality of public provision of vocational education and training by:

(i) failing to recognise and reward the good will of Australia’s TAFE teachers and support staff and their commitment to the best interests of their students and the community;

(ii) attempting to introduce a climate of fear and greed into TAFE colleges, based on both punitive industrial relations arrangements and the entirely impractical requirement for performance-based pay;

(iii) compromising the ability of TAFE teachers to work collaboratively by attempting to set them in competition with each other;

(iv) using TAFE as a beachhead in their assault on Australia’s union movement;

(v) using TAFE as a pawn in their attempt to centralise decision making in Canberra and undermine the balance of power between the states and the Commonwealth;

(vi) substituting financial blackmail of the states for proper negotiation with all interested parties and consensus building;

(vii) playing out an agenda of revenge against the Australian Education Union and the NSW Teachers Federation for their well-founded criticisms of the Howard government’s failure to adequately fund public provision of vocational education and training; and

(viii) further progressing their vision of a privatised vocational education and training sector, despite the massive failure of existing funding of private providers to effectively contribute to quality outcomes.

(b) calls on the Government to withdraw this Bill because it is fundamentally flawed and will fail to address Australia’s growing skills shortage, and instead to:

(i) develop arrangements for negotiation between the States, the Commonwealth and TAFE teachers and their union on funding of
vocational education and training and on the coordination of policy setting in this sector;
(ii) recognise the current and potential future role that TAFE colleges and TAFE teachers and support staff play in wealth creation and in building Australia’s cultural, social and democratic institutions;
(iii) recognise that the Commonwealth government should play a key role in the funding of public provision of vocational education and training by restoring its per student funding of TAFE to 1996 levels in real terms and providing funding increases to match the growth in demand for vocational education and training over that period and for the next planning period; and
(iv) end the funding of private providers that compete with TAFE.”

The Greens policy for the re-funding of TAFE, as outlined in this second reading amendment, is bold and achievable. This vision includes a $1.2 billion increase in funding to TAFE over the next triennium. This is the kind of commitment that we should be seeing from the Commonwealth in skilling Australia’s work force. This is the kind of commitment that would allow us to call this bill, as the government have, ‘one of the most significant boosts to vocational and technical education ever undertaken by any Australian government.’ Unfortunately, this label that the government seek to give to this bill is entirely wrong.

Senator FIFIELD (Victoria) (12.26 pm)—I rise to speak on the Skilling Australia’s Workforce Bill 2005 and the associated Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005. These bills embody the government’s commitment to the national training sector. The government is taking steps to ensure the continuation of a healthy and vibrant skills sector, with flexibility for teachers, apprentices and employers.

These bills will, as we have heard, abolish the Australian National Training Authority and transfer $4.4 billion to state governments to fund vocational education programs administered by DEST. Including the $577 million already allocated to the states in 2005, the total appropriation from July 2005 to December 2008 will be $4.9 billion. Of this funding, $175 million is over and above the previous ANTA agreement. Each state will match this additional commitment. In total, federal funding will represent an average real increase of 3.2 per cent from 2004. The abolition of ANTA will also save the government over $3 million annually from 2006-07 by eliminating management and support service duplications and rationalising administrative costs.

The bills also establish a federal framework for skills education that ties funding to benchmarked training outcomes, which is as it should be. Requirements for funding will include: workplace reforms in the TAFE sector to provide greater incentives for staff and to reward staff, removing impediments inherent to state awards to accelerate and encourage apprentices who show initiative and commitment, and increasing the choice of employers to employ the apprentice most suitable to their needs.

These bills enshrine flexibility throughout the training sector. This is a significant change in approach from that of past Labor governments. The Opposition has taken to rewriting history in its defence of the training package it introduced in 1992. Mr Beazley, when he was minister for employment, education and training, introduced the Vocational Education and Training Funding Act 1992. The current shadow minister for edu-
cation and training waxes lyrical about the success of that act, which established ANTA. The government agrees that, to an extent, she is justified. ANTA was a landmark policy in bringing the training sector under a national umbrella. However, senators opposite need to recall the context in which ANTA was established in 1992. Unemployment was at 10 per cent. Today it is at five per cent.

Senator Ian Campbell—One million people!

Senator FIFIELD—We well remember that front page headline saying, ‘One million people unemployed,’ as Senator Campbell reminds us. We no longer have job shortages across the board. Apprentices, job seekers, employers and industry today need flexibility to maintain the current vigour of the workforce. The challenge today is so different to 13 years ago, thank goodness.

There is an increased demand now for skilled workers in Australia. We need to shift our focus to addressing the new challenges that are posed by a strong and growing economy. We know what the approach of those senators opposite is to addressing the skills shortage—it is to get into government and kill the economy. If you kill the economy, unemployment goes up. There will certainly be no skills shortage in that case. That is about their only policy for addressing the skills shortage. We need to look at different ways to deliver education and training.

With these bills the government is responding to the current economic environment—the strong environment brought about by nine years of reform, strong management and good policy. The opposition, as we have heard, would happily leave the old legislation in place if their amendments are not agreed to. For what reason? They like the status quo. They insist that the world does not change and that what was in place and had some merit 10 years ago is appropriate for today. It is not. Times change. Legislation and policy settings need to change to address the current environment.

The opposition wants to use the argument that ANTA was good policy in 1992. So does Senator Nettle. It does not bode well for a particularly creative policy approach from those opposite, who are clinging to the past again. Unlike the opposition, the government are not scared of reform. We are not scared of looking at new policy and better ways of doing things. To that end, the government are also seeking to allow TAFE institutions the flexibility of offering teaching staff Australian workplace agreements or similar performance pay contracts. TAFEs will be able to attract and keep the best teachers for their apprentices and offer appropriate rewards for their work. Sadly, senators opposite continue to scaremonger on AWAs. It is important for the Senate to note that there will be absolutely no compulsion for TAFE teachers to agree to AWAs or any other sort of agreement. They can choose to work under a collective agreement. It is entirely misleading to say that we are not offering choice.

Senator Wong likened this legislation to the proposed voluntary student unionism legislation or drew a parallel with it, saying that, on one hand, we are arguing for choice and, on the other hand, we are seeking to limit choice through this legislation. This legislation does not seek to limit choice. This legislation seeks to guarantee choice. The staff at these institutions will have the opportunity to choose an Australian workplace agreement if they want to. All this legislation does is ensure that a choice is offered. Choice is what employees are entitled to have, and they will have it. TAFE directors too will be able to take advantage of this greater freedom in hiring staff. They will be able to take advantage of greater autonomy over the operation of the institutions for which they have responsibility. They will
have the power to attract and retain quality teachers and manage underperformance with their employees as well.

Another hollow argument put forward by the shadow minister is that the states have in some way been railroaded into accepting a national outlook on skills training. She has claimed in the other place that the state and territory governments have not been consulted about the reforms in these bills. I know my government colleagues in that place have already brought her error to her attention, so now I will bring it to the attention of senators here. Eleven days before these bills were tabled in the House of Representatives, a Council of Australian Governments meeting agreed that a whole-of-government approach to the training sector was required. It established a joint Commonwealth-state working group. I would have thought that that was a relatively thorough form of consultation.

Further, COAG agreed that a more flexible, responsive and genuinely national apprenticeship, vocational education and training system is vital to meeting current and future skills needs. We have to remember that COAG is not some creature of the Commonwealth. COAG has eight state and territory Labor governments, and they are no patsies for this government. That meeting even specifically examined the Commonwealth-state funding agreement for these bills. This was only two weeks before the shadow minister declared that the government had not consulted the states on this issue.

There are distinct benefits to a wholly national training sector. The Labor states agree. Skills recognition as a result of these changes will more easily traverse state borders. Apprentices will have a broader range of jobs suitable to them and employers will have a larger pool from which to select the right apprentices for the jobs. Conditional funding will hold training providers to a national benchmark appropriate for the national job market, which is as it should be.

Unlike Labor, we believe in choice. We want to maximise choice. We do not think everyone should go to university. It is not appropriate for everyone. Some people’s skills are better suited to university and some people’s skills are better suited to training or an apprenticeship. We want to facilitate and support that choice. It is one of the reasons that the Commonwealth is also introducing 26 Australian technical colleges. We want to affirm an apprenticeship and a trade as being as valuable, good and productive as a university degree. A good trade is as good as a good university degree and people should be proud of the choices that they make. We should seek to support the choices they make. These bills will ensure the reforms necessary to maintaining a vibrant skills sector. The bills will make a significant contribution to making sure that we have a skilled work force and that we are in a strong position to meet the skills needs of Australian industry. I commend the bills to the Senate.

Senator WEBBER (Western Australia) (12.35 pm)—After that interesting contribution, perhaps we will get back on track. As Senator Fifield has said, we are debating the Skilling Australia’s Workforce Bill 2005 and the Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005. These bills are, in my view, amongst the first bills that will allow all of our fellow Australians to understand the consequences of a government majority in this place. These bills will enable the federal Minister for Education, Science and Training to effectively override the states’ control of vocational education. What we are seeing today is the total overthrow of one of the founding principles of the Liberal Party. The party founded by Robert Menzies with a strong commit-
ment to states’ rights has now become the party that is using its legislative power to overturn the foundations of our Federation. What arrogance!

These bills give effect to the federal government turning its back on one of the cooperative arrangements negotiated between it and the states and territories. That negotiated agreement, which saw the creation of the Australian National Training Authority, was put in place to ensure that the vocational education sector—the TAFE system, in effect—was adequately funded and would meet Australia’s future workforce requirements. It came about because the states would not agree to the Commonwealth assuming control of the TAFE sector back in 1991. That is back when there were Liberal state governments. Apparently the Liberal Party was concerned then about the rights of the states and did not want central control.

The original objectives of the system were to create a unified national vocational education and training system, with joint Commonwealth and state responsibility for funding, closer interaction between industry and providers, and the development of an effective training market. The critical factors in the original ANTA agreement related to its role and the funding arrangements. What we now see is little more than a grab for power. It is a grab for power that does not mean the Commonwealth will be involved in the day-to-day management of vocational education, but it allows the minister to withhold funding if he or she does not agree with the training plans submitted by the sector. All the control but none of the responsibility will be delivered to the Commonwealth through the minister holding the purse strings. It is not a very satisfactory model for the delivery of needed vocational education.

It is clear that the Howard government are taking this step as a means of pretending that they are addressing our skills crisis. What a load of rubbish! When confronted with the problem—one that they have allowed to develop over the last nine long years—the government’s only response is to blame the states and the unions and attempt to divert the public from the issue. The simple facts, however, are these: the government on coming to power reduced the funding to the vocational education system. That is undeniable. They did this by removing the growth funding that was built into the agreement. They combined this with reductions in expenditure through efficiency dividends and by requiring the states to do the same.

This all resulted in the fall of funding overall. Growth funding was reintroduced in the ANTA agreement in 2001-03. However, the Commonwealth then offered such a small increase that the states would not agree to the new ANTA agreement in 2004. The Commonwealth have allowed the ANTA agreement to lapse and, although funding is guaranteed for this year, we now see revealed their intent all along. This reveals the original decision to be none other than a bad case of cutting off their nose to spite their face. If the states would not agree to their unreasonable offer, then the Commonwealth would rewrite the rule book, as we are obviously going to see often in this place.

It shows to the Australian people the complete arrogance of this government. Australia has now become a country where it is the Liberals’ way of doing things or the highway. The abolition of ANTA was announced by the Prime Minister by press release last October, as part of the new ministerial arrangements following the election. This is what passes for consultation by the Howard government: no discussion with the states, no policy announcement during the election campaign; just a press release after the event. Did they take this policy to the Australian people for their endorsement during the elec-
tion campaign? Of course they did not. After the election and whilst announcing the new ministerial arrangements, the Prime Minister announced the abolition of the Australian National Training Authority and that its responsibilities would be absorbed within the Department of Education, Science and Training.

Now with the government in control of the Senate, the legislation is here before us to give Australia what effectively amounts to executive government by press release. We may well ask what justification those opposite have put forward to mask their grab for power. The one constant refrain from those opposite is that the current system based on the states restricts the free flow of labour from one state to another. They claim that a hairdresser in New South Wales cannot work in Victoria. They claim that this comes about because state differences are based on union vested interests. Somehow they would have us believe that unions in each state have controlled the state governments’ regulation of trades for their own interests. What nonsense!

It is a nonsense on several levels. Firstly, the government would have you believe that the conservative parties have never been in power in any of the states. As I said, they were there when ANTA was first established. The government would pretend to the Australian people that many of the regulations they now rail against are the product of not state governments’ vested interests but rather unions having convinced conservative parties to legislate in their favour. It is a nonsense of the first order. Secondly, those opposite pretend that this regulation of the labour market is restricted to the traditional trades. Every time they speak about this problem they use the examples of hairdressers, carpenters and electricians. Do they ever speak about other occupations or trades? No, they do not; there is not one word about any other occupation.

Let us just take one example to illustrate this point. A lawyer—an occupation those opposite, particularly those on the front bench, would be most familiar with—who attended university in New South Wales is not able to go and practise law in any other state without becoming accredited in that state. That should sound familiar to most on the opposite front bench. Where is the legislation dealing with all occupations? Labour market regulation is apparently an issue only for tradespeople but not for professionals, although many of the constraints are similar.

The other argument cited by those opposite is that the current system needs to be reformed to deliver three key principles. They are: firstly, industry and business needs should drive training; secondly, better training outcomes would be achieved through more flexible and accelerated pathways; and, finally, the processes should be simplified and streamlined. Whilst acknowledging the success of ANTA, the Commonwealth then uses the above principles to argue that the skills shortages are the failings of the system. They again pretend that business and industry needs are not at the forefront of planning for vocational education.

As someone who has been associated with the employment and training sector for many years, I know this is the sort of conservative claptrap that has no basis in reality and shows no experience of how the labour market really works. No vocational training in this country is conducted without there being some input from business or industry—everyone in the sector knows that. No training provider—TAFE or otherwise—would offer a vocational training course that does not have employment as its outcome. In fact, from what I have observed at first-hand over the years, training providers are not in the
game for very long if they do not develop close relationships with industry—a self-evident fact. The government’s next principle is that better outcomes would be achieved if there were more flexible and accelerated pathways. Let us decode that.

The ACTING DEPUTY PRESIDENT (Senator Hutchins)—Order! It being 12.45 pm, I call on matters of public interest.

MATTERS OF PUBLIC INTEREST

Biofuels

Senator BOSWELL (Queensland—Leader of The Nationals in the Senate) (12.45 pm)—I am very glad that Senator Ian Campbell is in the chamber today, because what I am going to speak about is relevant to his portfolio. I stand here today waiting with bated breath to see what action will be taken to move Australia into the era of fuel self-sufficiency and greenhouse gas abatement. Renewable fuels are the way of this nation’s and the world’s future. Almost every other country with the potential to develop biofuels has taken policy steps to introduce these fuels into their transport sector. Australia is lagging years behind.

I have outlined to this chamber before the health and the environmental benefits of using E10. I have spoken of the job opportunities that will come with developing this industry in regional Australia—said to be more than 6,000 jobs in Queensland alone—and of the vital importance of improving our fuel self-sufficiency and reducing fossil fuel imports. Since that occasion, a number of new developments have taken place. New science confirming the environmental benefits of Australian produced ethanol has been released and biofuels have been recognised as a way to address the environmental issues affecting the world.

In an address to the nation in May, United States President George Bush singled out biofuels development as a strategic direction for America to reduce its dependence on foreign oil. Mr Bush said:

This strategy will encourage more efficient technologies, make the most of our existing resources ... develop promising new sources of energy such as hydrogen, ethanol and biodiesel ... and strengthen the long-term economic security of our nation.

Just two weeks ago the Senate and the House of Representatives in America agreed on a bill ordering the US oil industry to nearly double the amount of corn-distilled ethanol it uses as an additive in petrol. It is now awaiting the President’s signature. One of the bill’s authors, Republican Pete Domenici of New Mexico, said:

For once, Congress and the United States are going to do something important that we will benefit from, not tomorrow, but for the next five or 10 years. This bill will create jobs, job security and clean energy, who could ask for anything more?

The Leader of the Opposition, Kim Beazley, has called on the government to provide a real future for the biofuels industry. Queensland Premier Peter Beattie said:

Renewable fuels are the way of the future and ethanol is leading the international charge as an alternative to fossil fuels. Export markets and demand are growing as mandates are introduced around the world to require oil companies to include ethanol in fuel for vehicles.

Former Premier of New South Wales Bob Carr said:

Alternative fuels will be increasingly important as we move away from reliance on fossil fuels and establish a more diverse and secure energy supply. Ethanol-blended fuel will be used for the first time in the NSW government’s vehicle fleet under future fuel contracts.

A new player, the President of the Australian Medical Association, Dr Mukesh Haikerwal, has detailed the AMA’s support for the man-
datory use of ethanol in petrol in the interests of protecting and improving human health:

“In our opinion, there is incontrovertible evidence that the addition of ethanol to petrol and biodiesel to diesel will reduce the deaths and ill-health associated with the emissions produced by burning those fuels,” Dr Haikerwal said.

“The AMA believes that among other actions the introduction of mandatory biofuel blends would reduce the negative health impacts of emissions.”

In its submission to the biofuels task force in June the Australian Conservation Foundation—you will be interested in this, Senator Ian Campbell—said:

A thriving biofuels industry can deliver long term environmental, social and economic benefits for Australia if implemented in the right way.

There is a strong case for the implementation of a mandatory renewable fuels target (MRFT) to ensure the development of a commercially viable biofuels industry based on market flexibility and responsiveness to technical innovation.

The Council of Australian Governments communiqué of 3 June 2005 agreed to set up a senior officials group to examine the scope for national cooperation on climate change policy, including encouraging renewable energy including ethanol. BP Australasia President Gerry Hueston has suggested using wedges in a multipronged approach to greenhouse gas abatement, one of which is ‘increasing biofuel production 50-fold’. Mr Hueston went on to say that they have sold 13 million litres of E10 in Queensland ‘and we have not received a single technical complaint from consumers’. The Strategic Fuels Development Manager of Biofuels at Shell states:

Biofuels are real! Both ethanol and bio-diesel are penetrating the fuel market as they integrate smoothly into the fuel infrastructure.

Shell’s web site proclaims:

Bio-fuels are realistic contenders as a major low-carbon fuel source for the future.

All those people believe in the benefits of a strong ethanol industry, and so do I.

Over recent weeks there has been some criticism of The Nationals’ push for the right policy setting to encourage the ethanol industry. I believe that that commentary was unfounded and I would like to challenge some statements in the media. Widely quoted in the media was Mr Peter Harris of CommSec, who was formerly employed by Shell Australia. Some published statements claim:

An ethanol mandate would cost taxpayers $600 million in excise forgone and if the price of oil falls below $US42 a barrel, an ethanol mandate would increase petrol prices.

A Caltex spokesman said:

It is a marketing decision not to sell ethanol blend more cheaply at Caltex sites.

There is no country in the world where ethanol blends are sold at higher prices. Mr Harris’s figure of $600 million is achieved by multiplying the total amount of unleaded fuel in Australia by the full level of excise paid on petrol. By the time Australia is capable of producing that volume of ethanol—most probably around 2020—ethanol will be paying excise equivalent to its energy rating. Mr Harris says:

The best way to reduce Australia’s growing reliance on imported oil is to provide incentives to look for more oil and extract more expensive oil...

Current oil reserves are not expected to meet increasing demand over the next 20 years. OPEC has recently announced that the price of oil could reach $80 a barrel in the next two years. The declining ratio of production to consumption in Australia has resulted in oil imports jumping from $400 million in 2000-01 to $5 billion this year, and it will get worse. Mr Harris also says:

Oil companies are buying ethanol at around 72c/l but of course the ethanol producers are still enjoy-
ing the protection of a holiday from the normal fuel excise of 38c/l ...

Ethanol and other alternative fuels like LPG and LNG are rebated according to their energy ratings. An excise rebate is no holiday; it is a recognition of the quality of low emissions. Even the conservationists would reject this claim made by Mr Harris:

Ethanol is not only uneconomic, it is bad for the environment.

The land required to produce 1.8 billion litres ... would no longer be available for carbon dioxide consuming trees ...

No new agricultural land is required to provide feedstock for a strong and vital ethanol industry. The 1.8 billion-litre estimate assumes that all petrol sold in Australia contains 10 per cent ethanol, which represents unrealistic consumption of ethanol in the short term. The most recent Australian research by CSIRO on the proposed Primary Energy ethanol plant at Gunnedah examined the full life cycle of greenhouse gas emissions from the production of ethanol. The results indicated that when compared to the production of premium unleaded petrol there will be greenhouse gas reductions within the range of eight per cent to 12.5 per cent. The total CO₂ equivalent reduction from the 120 million-litre bioenergy plant will be 303,720 tonnes per year—that is the equivalent of removing 70,000 cars from the nation’s roads each and every year—from the ethanol produced at this plant alone. No attack on ethanol would be complete without a reference to Australia’s largest producer of ethanol. Mr Harris says:

The only real beneficiary would be that chastened donor to the conservative parties, Dick Honan and his Manildra Group.

There are currently between six and eight new ethanol projects waiting for some indication from government of the appropriate policy setting to provide confidence to financiers. Any initiative to further support the development of this industry would be designed to benefit new entrants to ethanol production as well as existing suppliers. Mr Harris also says:

The indelible mark of a truly silly idea—such as the Nationals push to inflict a 10% ethanol blend on innocent motorists across the country—is that its unintended consequences quickly become apparent.

Ethanol is not a National Party idea and it is certainly not a silly idea. Implementing policy decisions to assist the development of a strong and vital ethanol industry is widely supported across all political parties, the AMA, the services stations association and the Conservation Foundation, as the quotes prove. Every piece of evidence points to the fact that Australia needs and must embrace an ethanol industry. It is time the policy environment was amended to ensure that this industry happens. I eagerly await the Prime Minister’s response to the biofuels task force.

Community Care

Senator McLUCAS (Queensland) (12.57 pm)—Today I would like to take the opportunity during this discussion of matters of public interest to raise an issue that absolutely underlines how incompetent and out of touch this government is in dealing with people who provide care for others. I refer to those people who are providing enormous amounts of often unpaid care to people with disabilities, including children with disabilities, and care for older Australians. Earlier this year the government forced a rushed competitive tendering process for the provision of some community care programs. The result has brought chaos to many people who use community care services which will soon be defunded and many community care workers will lose their jobs.
Senator Boswell interjecting—

The ACTING DEPUTY PRESIDENT (Senator Hutchins)—Senator Boswell, you were heard in silence.

Senator Boswell—I am sorry, Mr Acting Deputy President.

Senator Ian Campbell interjecting—

The ACTING DEPUTY PRESIDENT—Well, go out the back. You can hear it pretty clearly from up here.

Senator McLUCAS—Late in 2004, community care providers were aware that there would be reforms in community care following the release of the government’s paper *A new strategy for community care*.

Senator Ian Campbell—Are there standing orders against having a chat?

The ACTING DEPUTY PRESIDENT—Excuse me. He was very audible, there was no need for him to do that and he was heard in silence.

Senator Ian Campbell—You should grow up.

The ACTING DEPUTY PRESIDENT—You should grow up too.

Senator Ian Campbell—You shouldn’t be Acting Deputy President.

The ACTING DEPUTY PRESIDENT—Well, do something about it.

Senator McLUCAS—Thank you, Mr Acting Deputy President. I think your attention to the audible nature of the discussion between Senator Ian Campbell and Senator Boswell was quite appropriate. Late in 2004, community care providers were aware that there would be reforms in community care following the release of the government’s paper *A new strategy for community care: the way forward*. But in January 2005 the Department of Health and Ageing sent a letter to community care providers informing them that the minister had decided to call for new applications to manage services funded under the National Respite for Carers Program, the Commonwealth Carelink Program, the Continence Aids Assistance Program and the Carer Information and Support Program. The letter in January this year said that ‘later this year’ the department would advertise for applications to manage services funded under these programs. Late last year the sector knew that there was going to be some change, and in January they got a letter that said ‘later this year’ something would happen. The letter also said:

I suggest you may wish to start considering now, what changes you may wish to make to your current services, in light of what will be a competitive process.

That was the first time they knew that competitive tendering would be used as the instrument. Imagine their absolute surprise and horror when on 5 March the government advertised applications for the management of services under those four programs. In January, they had been told ‘later this year’. People assumed that would be in the latter part of the year—quite rightly and quite understandably. In March, they were told they had to apply for the funding that they currently receive. The tenders closed on 1 April. They had 15 or 16 working days, depending on which state they were in, to fill in a very extensive application form for the funding level they currently receive. It happened over Easter—people had arranged leave; people had arranged to be away from their workplaces, as many people do during that time—and, basically, chaos reigned. No extensions for late applications were allowed.

The timing for this I find extremely intriguing. At the same time that the minister was pushing this competitive tendering process, the Australian National Audit Office was undertaking an audit of the National Respite for Carers Program. I find it extraordinary that the government would push forward
with this process, which has been largely discredited in the sector, when they knew that at the same time the ANAO was conducting an audit. The sector expressed considerable concern at this point. The Aged and Community Services Australia media release of 6 March requested that three assurances be met. Firstly, they said:

Existing service recipients must receive guarantees that they will not lose their services. That has failed. Secondly, they said, ‘The tender process must be fair and transparent.’ We do not know whether it is fair or not because it has not been transparent. Thirdly, ACSA requested:

If existing providers are unsuccessful, they are given sufficient time to manage the impact on staff and volunteers who will lose their jobs. That test has failed as well. This government failed the three tests asked for by the most significant community services advocacy body. The sector rightly questioned why competitive tendering was used as a method to deliver these programs. They said:

Competitive tendering was tried widely in community services in the 1980s and 1990s. The theory is it brings savings by tapping into a market of service providers who compete to provide services for the lowest price. Using competitive tendering to achieve service coordination is a blunt instrument. It is better to negotiate outcomes with existing providers and reduce the risk of service disruption …

The reality, graphically illustrated by the failure of Compulsory Competitive Tendering in local government community services in Victoria, was that the savings were often illusory and resulted in great dislocation for clients as service providers swap and change. In some cases—

ACSA said—

poor quality care also resulted.

Even though the minister knew that compulsory competitive tendering is not recognised as an appropriate way of delivering service management in human services, she pressed on.

In March of this year, ACSA said:

ACSA’s main concern remains the risk that services which are already integrated on the ground will be ‘disintegrated’ to achieve integration ‘on paper’. ACSA’s broad support for the reforms sketched out in The Way Forward does not mean support for any old approach to implementing them.

It is my view, and it is a view shared by the sector, that there are far less disruptive ways to achieve an outcome of more coordination and streamlining of services. Compulsory competitive tendering is just not the way. Over time, providers of these community services who currently deliver these services in the community have developed specialisation. Services have been developed for the families of children with disabilities to assist them with weekend respite care or camps during school holidays. Respite for older Australians has been provided through myriad services that actually deliver the services that the families of these older people require: day services, overnight services and extended respite in residential aged care. A range of services have been tailored to suit the needs of the community. People have been collaborating and working in concert with each other. They identified and filled the service gaps as they became aware of them.

That is now all out the window. We have a competitive situation where services have to compete with each other in order to attract funding from the government. Services, as we know, have been lost. Excellent, trained personnel who have a history of working in the respite care sector in particular have been lost by the sector. The process absolutely underlines the arrogance and incompetence of this government in dealing with people who are absolutely reliant on those services in order to allow their families to operate.
The announcement put out by Minister Bishop on 24 June was entitled ‘$374 million respite boost to support carers’. It was implied in that press release that the funding that had been allocated was new money. I think it is kind to say that Minister Bishop’s press release was misleading. I think it is more truthful to say that that press release was downright dishonest. The reality was not lost on the sector when it said:

Left unstated was that some organisations that have been providing these services have now, at very short notice, lost funding.

No details were provided to the sector at that point about which organisations had been successful and which had not. No appeal process was allowed—either you missed out or you did not. The transition period, if we can call it that, put in place by the government has been largely useless. Continuity of care has definitely not been delivered.

When, on 24 June, Minister Bishop announced the funding for these services, she did not release a list of successful and unsuccessful applicants. Our office was inundated at that point by service providers trying to ascertain whether or not they were going to be continually funded. We called the minister’s office and asked—politely, of course—what the results of the tendering process were. We were told that coalition politicians, members of parliament from the Liberal and National parties in both the House of Representatives and the Senate, would personally contact the successful tenderers and tell them of their success. That was on the Friday.

What happened as a result of that was appalling. There was appalling incompetence, because what occurred then was that those tenderers who were successful—because of the nature of the sector and because people work cooperatively—rang up the unsuccessful ones and asked: ‘Have you heard? We have just got the national respite care service.’ They were essentially telling that worker in that service that they had been unsuccessful. That weekend was chaotic in the community care sector. Thank you, Minister Bishop, for upsetting so many people right across Australia, because they were told by someone else that they had just lost their job. That is not the way you run a compassionate service in which people are committed and caring and work hard to make sure that respite services, in particular, are continually provided.

As a result of that question to Minister Bishop’s office, we continued to request information. We were told that it would be placed on the web site at some stage. I ran out of patience, so on 5 July—

Senator Ian Macdonald—Patience is a virtue, you know.

Senator McLUCAS—It is, but I ran out of it, Senator Macdonald. I ran out of patience because of the number of people ringing me, many in tears, saying that they had lost their jobs and they did not know why. They had been providing services for over 15 years, in some cases, to older Australians and families and they did not know why they had lost their jobs. So on 5 July I put a very simple question on the Notice Paper. I very clearly asked the minister, ‘Could you tell me which services were being provided up to the end of June this year and which services are going to be funded after 1 July?’ The time for that question to be answered expired yesterday. It is not a hard question. I believe that, if the minister was running a competent department, it would be a matter of simply pressing a button on a computer. Give me one list and give me the other list; it is not hard.

I will not accept the usual response that ministers of this government give, saying that they cannot answer questions: it is too onerous, it is too expensive or it ties up de-
partmental resources. If this government does not know which organisations used to be funded and which are currently being funded then that is an absolute sign of incompetence, surely. I believe the minister does know it but she is not prepared to share it either with me or with the sector, because it will show the holes that have now appeared in this government’s delivery of community services in Australia. I will be pressing the government to ensure that that answer is given. I will be pressing them firmly on behalf of the sector so that they know what is going on.

Earlier this year at estimates, we asked the government why they introduced a competitive tendering process for these services. We were told in part:

... it was a tender for provision of services and therefore fell into a particular category which meant we had to have it as a tender.

That was extremely helpful! That did not explain anything. The departmental officer went on to say:

Also, it was subject to all the free trade agreement requirements which have now been put in place.

So we are now going through a competitive tendering process in this community—even though all of the academic literature tells us that it is the wrong way to deliver human services—because we have to comply with the free trade agreement. We have now put families in Australia into absolute chaos. Families who have relied on these services so that they can remain at work and so that they can continue to participate in community life now cannot find those services, simply because we are complying with the free trade agreement. Thank you for that absolute adherence to market based ideology, because it is just not working. *(Time expired)*

**Whistleblowing**

**Senator MURRAY** (Western Australia) (1.12 pm)—Today I will speak about the protection of public service whistleblowers from victimisation and the related role of the press in a functioning democracy. I refer specifically to the charges against Mr Desmond Kelly and the involvement of Messrs Harvey and McManus from the *Herald Sun*. I will also touch on the *Australian* newspaper’s loss in their freedom of information case in the Federal Court last week.

Mr Desmond Kelly is an alleged whistleblower from the Department of Veterans’ Affairs. He is currently charged under section 70 of the Crimes Act 1914 for leaking documents from the department to journalists Michael Harvey and Gerard McManus which outlined the government’s plan not to deliver $500 million in extra pension benefits to war veterans and widows. The report in the *Herald Sun* newspaper in February 2004 by Messrs Harvey and McManus is supposed to be based on this leak from Mr Kelly. The report caused the government considerable embarrassment. As a result of the unfavourable response to the public exposure of the proposal, the government plan did not proceed.

I have spoken many times about the role of the whistleblower in a parliamentary democracy, and my public interest disclosure bill addresses some of my concerns. That bill has been through committee review. It is a great disappointment that it has not yet been debated and passed. Whistleblowers play an important role in ensuring the accountability of government. They are individuals who, by reason of their employment, come across information that reveals corruption, dishonesty or improper conduct at any level of government and by any government. When such people bring this information to the attention of appropriate authorities, they must be protected from retribution. Whistleblowing is often the only way that impropriety can be exposed. However, this can and often does come at a significant personal and career cost.
to the whistleblower. The often justified fear of reprisal can stop potential whistleblowers from coming forward. As a result, corruption or improper conduct can continue unchecked.

Of course, vexatious, frivolous or personal motives need to be guarded against. As stated at page 29 of the Senate Finance and Public Administration Legislation Committee’s report into the Public Interest Disclosure Bill 2001 [2002], there needs to be a distinction between a personal complaint and a public interest disclosure. Although I am not entirely cognisant of all the circumstances in this case, if Mr Kelly did indeed blow the whistle on this story, unless he is a veteran himself who was to be impacted by the government proposal regarding veterans’ entitlements, there seems little likelihood that this was a matter of personal complaint.

The plan to reduce veterans’ entitlements was undoubtedly a matter of public importance. There is an obvious tension between the principles of protecting confidential information and of disclosing information in the public interest. Protecting confidential information is strongly established in statute and jurisprudence. Disclosing matters in the public interest is weakly protected in federal law.

This case highlights the problematic relationship between section 70 of the Crimes Act, which is broad in scope, and the application of section 16 of the Public Service Act 1999, which is very restrictive in scope. Section 70 makes the unlawful disclosure of documents or facts an offence. There is no defence in the statute of being in the public interest. The limited scope of section 16 of the Public Service Act does not provide any real defence against a section 70 charge. Section 16 provides limited protection against reprisal, no protection if disclosure is made to the wrong recipient, and protection only where the whistleblower discloses breaches of the Public Service code of conduct. Under this section, a public servant has no legal immunity from civil action or criminal prosecution. Immunity from legal action would provide protection and act as an incentive to whistleblowers in properly argued matters. Such immunity is covered in most states’ legislation for the protection of whistleblowers.

Section 16 also does not provide any protection against victimisation or reprisals, leaving only the option of a tribunal or court for the whistleblower to bring an action, which is a prohibitively expensive, lengthy and stressful process for an individual to take on. Section 16 also strictly limits to whom the disclosure can be made. In its current form, it falls well short of disclosure legislation in the various states and the proposed disclosure provisions in my Public Interest Disclosure Bill.

The government thinks it more appropriate that internal structures deal with possible whistleblowers rather than external agencies. However, it is the internal structure of the agency that is often an impediment to the whistleblower disclosing the matter concerned. Section 16 of the Public Service Act is woefully inadequate in providing protection in the type of circumstances revealed in this case, because it covers only breaches of the Public Service code of conduct. Therefore politically sensitive information is not covered, no matter how much it is in the public interest that such information be revealed.

Section 70 of the Crimes Act is so broad that even where matters are covered by section 16 of the Public Service Act, a whistleblower can still be prosecuted. Another aspect of section 70 of the Crimes Act is that it is up to the defendant to prove his or her innocence in publishing or communicating,
without lawful authority or excuse, any fact or document which came to his knowledge by virtue of his position as a Commonwealth officer. This is a reversal of the onus of proof for a criminal offence, and reversals of the onus of proof should always be regarded very circumspectly. It is not a desirable feature in most criminal matters.

There have been several incidents during this government’s several terms where it has been in the public interest, but obviously not in the government’s interest, for matters to be raised in the public arena. I refer in particular to the *Tampa* crisis, where public servants, fearful of the type of action that has occurred here, kept quiet until well after the event about matters which were of the utmost public importance and which did affect an election outcome and who would govern Australia. The same is true, in many respects, of the scandals about refugees and their treatment.

This matter also raises a question about the role of the fourth estate in a parliamentary democracy. The term ‘fourth estate’ refers to the press being an equal part with the other important pillars of our democracy and society. Like the judiciary, they have a specific responsibility and obligation to be independent of the executive and the political class, and, through publicity, to restrain any potential abuse of power or hidden activity by the government, the bureaucracy or the political class.

Mr Harvey and Mr McManus, should they choose to abide by their journalistic code of ethics and refuse to reveal their source, could be jailed for contempt of court. In Australia, several journalists have previously refused to reveal their sources—including Tony Barass, from my home state of Western Australia, who went to jail for refusing to reveal a source in the Australian Taxation Office. In Queensland, Joe Budd also refused to identify a public servant and was jailed for contempt for 14 days. In the United States in the past couple of weeks, Judith Miller from the *New York Times* has gone to prison for the same reason. The odd event there is that she was the researcher, not the journalist. The journalist concerned has been left untouched. Mr Rove, who is quite famous in that part of the world, seems to have got away scot-free, having been alleged to have leaked it in the first place.

The role of the press is to scrutinise the actions of the parliament, judiciary and executive and to bring those matters of public interest to public attention. This is an essential democratic right and obligation. Australia prides itself on the freedom of the press and the public’s right to know. Perhaps we should not be quite so self-congratulatory, because our laws and practices are, regrettably, becoming increasingly oppressive. If ordinary people do not have the protection of the law to come forward and reveal matters of genuine public interest then any government can intimidate people and stop revelations which might be embarrassing for them.

Gagging journalists’ right to bring matters into the public sphere for discussion is a violation of the freedom of political communication as espoused in the case Australian Capital Television and Ors v the Commonwealth of Australia (1992) and Nationwide News Pty Limited v Wills (1992), where the High Court recognised an implied guarantee of communication on political matters in the Constitution.

In the Federal Court of Australia in 2003, Mr Justice Finn, who was considering Public Service regulation 7(13)—now regulation 2.1 and similar in terms to section 16 of the Public Service Act—held that regulation 7(13) contravened the implied constitutional freedom of political communication. Justice Finn was of the opinion that the regulation:
… impedes quite unreasonably the possible flow of information to the community—information which, without possibly prejudicing the interests of the Commonwealth, could only serve to enlarge the public’s knowledge and understanding of the operation, practices and policies of executive government.

The High Court recognised that the electorate needs to be fully informed of the actions of government to make an informed decision as to who to elect to govern the country. To take this argument to its fullest extent, this newspaper report on the change to veterans’ entitlements was a matter which needed to be brought out into the open for discussion by the electorate so that an informed decision by electors, in particular those impacted by the proposal, could be made. It is proper for governments to devise their proposals, but it is even more proper for them to debate them openly in the field of political contest. There is no suggestion that the leak was a matter of national security, public health or commercial-in-confidence information; it was simply a bad policy idea from the government which, instead of being hidden from public scrutiny until the last possible moment, was revealed.

Another important aspect of the role of journalists as the fourth estate was brought to the fore in the recent loss by the Australian newspaper of its appeal to the full bench of the Federal Court regarding a conclusive certificate issued under the freedom of information legislation. Conclusive certificates are an extremely bad idea, especially if the discretion so granted is to be shielded from judicial review, which should incline to openness, not to secrecy. The Orwellian device of the conclusive certificate prevented the Australian from gaining access to information about the true value of tax cuts delivered by the government and the use of the government’s first home buyers scheme by rich people. Those issues have much more to do with the Treasurer’s reputation than our national security.

The Australian had made a request for the information and a decision was made that it was not in the public interest for this information to be released. Instead of giving reasons as to why it is not in the public interest to release information, the minister responsible can issue a conclusive certificate. So the message basically is: ‘We have good reasons, but we’re not going to tell you.’ In these circumstances the court does not have to look at the reasoning behind the decision to refuse the release; it must simply accept the conclusive certificate. That is how the legislation is devised.

According to a report in the Australian newspaper on 3 August 2005, Justice Conti, who dissented, found that the Administrative Appeals Tribunal had misdirected itself in assessing the public interest by not balancing the evidence of the Australian’s witnesses against that of a key Treasury witness. Mr Michael McKinnon from the Australian newspaper—and I think Mr McKinnon holds the title of freedom of information editor—pointed out in The Media Report on ABC Radio National:

... one of the major impacts of the decision is that in the event of journalists identifying controversial documents, documents that the public should know about to be able to judge their government correctly, a politician—obviously a minister—simply has to issue what’s called a conclusive certificate, to say that it’s conclusively against the public interest to release these documents, and there is very little legal recourse left to anyone. Under this decision, when we go to an appeal on a conclusive certificate, all that is required is for a Treasury bureaucrat to stand there and say ‘These documents should not be released because they’ll misinform the public’, and that’s pretty well the end of the case.
This device allows the government to prevent the electorate from being fully informed about issues which impact upon it economically and socially. The press must be able to ask important questions of government and keep it under the scrutiny which is essential for a properly functioning democracy and a fully informed electorate. Not everything that is in the purview of ministers is entitled to be regarded as secret and as properly kept confidential in the national interest. The suppression of the information requested by the *Australian* gives credence to the argument that they have something to hide regarding bracket creep and the first home buyers scheme.

In this age of the internet, where blogs proliferate and where biased and untested information abounds, the government is kidding itself that it can keep all its secrets all the time. They will surface somewhere, sometime. When they do, it would be better that they surface in an Australian publication, where the journalists are accountable and must test their views against the ethics, laws and conventions governing their trade. By definition, whistleblowers will not and cannot be stopped. That is why, if you are smart, you develop sensible public disclosure laws that balance the various considerations. Only sometimes is the public interest served by secrecy. The bias of this government appears to be to make secret that which it should not. We should be suspicious and vigilant as a result.

**Military Justice**

Senator MARK BISHOP (Western Australia) (1.27 pm)—This afternoon I want to address the subject of failed military justice for Australia’s Defence Force personnel. It goes without saying that this is a critical issue facing the Senate and the government. In the face of demonstrable government attempts to neuter this place, I remind all senators that the report of the Foreign Affairs, Defence and Trade References Committee delivered some eight or nine weeks ago was unanimous. In doing so, might I recognise the contribution of all senators on that committee, including those seated opposite.

One might think it obvious that the Senate should stand by the recommendations of its own committee. Over the last nine long years of the Howard government, six reports on the failings of the military justice system have been made publicly available. It speaks volumes for the Senate committee system when such major issues as this can be assessed publicly and objectively with only the public interest in mind. We should conclude from that that military justice is not an issue which can any longer be pushed under the carpet and ignored. It is no longer a matter which can be lightly pruned and fussed up around the edges.

The committee’s central position is that we have gone beyond repair and maintenance. The current model, with its origins in the British armed forces of the 18th century, no longer works at all. It is broken and beyond redemption. We know it is broken because for years we have been exposed to scandal after scandal involving bullying, harassment, victimisation and, often, sheer bastardry. I cannot put it any plainer than that. Regrettably, it is this type of sensationalism which the media feeds on.

In turn, the Australian defence forces find it equally offensive. Our armed forces are justifiably very proud of their service and their personal and collective contribution to our national security. For many, we know that this is not much more than a minor irritation. The large majority of serving people have rewarding, successful and productive careers. What they do resent is this constant bad publicity which demeans their service, their public image, their morale and their
good standing which has been hard earned in our community. This should not be the case. So we must ask the government: what are you doing about this dire situation? The answer is: we are waiting to see.

There have been six inquiries and reports during the nine long years of the Howard government. They have all been collecting dust in various pigeonholes around Canberra but, again, there is a fresh chance and an opportunity to start anew. The committee report provides a blueprint for root and branch change. Having said that, the changes recommended are not radical changes. At its very heart the simple policy issue is the need in the military justice system for independence and objectivity. If there were any particular faults in the current system, these two—lack of independence and lack of objectivity—are central. They pervade everything that is manifestly wrong.

Let us look seriatim at the descriptors used by the committee—bias, lack of impartiality, breaches of privacy, lack of independence in review and abuse of power—and add to that a whole list of administrative shortcomings: delay, failure to inform, poor quality investigation, access to records, failure to protect complainants, failure to properly record, failure to follow up, failure to apply policy and breaches of established process. And so the list goes on ad infinitum. Worse, these are not isolated or ad hoc failures that I refer to; they are both endemic and systemic.

Any case one looks at, including those identified specially by the committee, contain most if not all the ingredients of failure I have just listed. Let me mention two cases, both of which have been subject in recent weeks to national media scrutiny. First is the case of Lieutenant Commander Robyn Fahy. The facts of this sad case are already on the public record. Let me summarise the failures of the system which have brought this outstanding officer to the point of involuntary discharge. First, an allegation of serious criminal assault while a cadet at the Defence Forces Academy has never been fully investigated. Allegedly and unbelievably, there is no record of the complaint. Second, Lieutenant Commander Fahy was subject to what can only be described as a conspiracy to falsely determine that she had serious psychological problems. This was used to suspend her as executive officer of HMAS Stirling in Western Australia. The judgment of the Medical Board of Western Australia was that this assessment was both wrong and corruptly obtained.

One would have thought that the finding by the board of 22 charges against the naval doctor would be sufficient to exonerate her. But no, Lieutenant Commander Fahy remains suspended to this day on full pay after five years. Moreover, Lieutenant Commander Fahy was not informed of what was happening. She in fact presented to the doctor with a migraine headache, and after no examination emerged with a referral to a psychologist which was false and incorrect—a letter based on hearsay and false information.

I have no doubt that many would describe this as a kangaroo court with one aim only in mind—that is, discharge. Some would use the words conspiracy or collusion. Others, less charitably, might describe it as sexist, flowing from the boys’ club. These are difficult conclusions, but the bottom line is the same: there was a complete breakdown of proper process and natural justice. There was secrecy and the most severe breaches of confidentiality, including major breaches of the Hippocratic oath. The more serious aspect, however, is that recourse for justice had to be made to an outside civilian tribunal. I have absolutely no doubt that any internal process of review would have been a complete waste of time.
There are too many other cases which point to the same thing, as the committee report graphically illustrates. Lieutenant Commander Fahy’s most recent attempt to obtain redress before the Human Rights and Equal Opportunity Commission has met, unfortunately, with the same fate. An offer of $15,000 compensation for a career destroyed was withdrawn, and this was after the expenditure of copious funds by the Department of Defence to protect its obsessive culture of denial. In this case $444,000 was used in clear and flagrant breach of the Attorney-General’s legal service directions to fund the defence and fine of the naval doctor. Lieutenant Commander Fahy as the complainant received, of course, not one cent. Nor did Lieutenant Commander Fahy receive any assistance before HREOC, and we can only guess—although we will find out in due course—how much Defence spent.

It is likewise the case with Mrs Sue Campbell, mother of the deceased Eleanore Tibble—one of the suicide victims whose case was dealt with in detail by the committee. Her action before the Anti-Discrimination Tribunal of Tasmania has now been threatened by the might of Defence’s legal services branch. They have sought an injunction in the Federal Court to deny the tribunal’s jurisdiction over the application. We can only wonder why, given that Mrs Campbell has already been fully vindicated in her complaint both by internal Defence inquiry and publicly at HREOC. It is indeed fortunate that three leading Tasmanian barristers, including my colleague Duncan Kerr MP SC, have offered their services pro bono to assist. The alternative would have been the sale of the family home. That is how serious the balance of power is here, and it is something which inevitably sinks everyone with a grievance. The might of Defence is overwhelming.

These are not isolated cases. These are simply current and topical within the media. There are, no doubt, many others. From my experience with military compensation, the landscape was littered with cases where people believed that their lives had been destroyed. In none of these cases was there the slightest confidence that there was any access to fair processes of review. I have received many representations from ex-ADF personnel setting out the detail of treatment which would simply not be possible in most other work places. As I commenced, this is a very sad state of affairs. Indeed it is tragic that we are forced to raise it as a public issue. The impression it creates is unfortunate and unfair on the service of most of our military personnel.

Nevertheless, it is a problem that requires confronting. We cannot accept the bland assurances that the current system generally works well. It simply does not. The government needs to be fair dinkum on this and have it fixed. The committee has shown the government the way, and we would certainly support the government in its reform processes if it has the ticker to do it properly. The time for messing about has passed. If the government fails this test, we can only conclude that it endorses the status quo, wants nothing to change and expects no change into the future. That would be the tried and proven conservative approach: heads in the sand, it will blow over, disappear and go away. It will not, and we on this side will keep raising this issue. There is simply far too much at stake.

Voluntary Student Unionism

Senator LUNDY (Australian Capital Territory) (1.39 pm)—I rise in this debate on matters of public interest to discuss the prospects of the introduction of voluntary student unionism, particularly as today is yet another day of action on behalf of students around
the country. They will find themselves, once again, expressing their concern about the legislation before this parliament and their grave concern that the legislation will have such an impact on student life as to render university life a pale reflection of what it was.

Senator McGauran—Well, they should stop wasting money.

Senator Lundy—I would like to take that interjection from across the chamber—

Senator McGauran interjecting—

The Acting Deputy President (Senator Brandis)—Order! Senator Lundy has the call.

Senator Lundy—because Senator McGauran has said that maybe they should not waste their money. Students do not waste their money on student services. I think it is very important to note that the bill is currently the subject of an inquiry by the Senate Employment, Workplace Relations and Education Legislation Committee, which has heard evidence from all over Australia and which will in fact be reporting later today. In the meantime, the folly of the Howard government in their ideological pursuit of an attack on student services has been thoroughly exposed. We know that all universities are unique communities and that, over time, they have all evolved a system that suits them the best. Some universities charge a smaller fee and provide a limited number of services; others charge a higher fee and offer a much broader suite of services. Most universities fall somewhere in between.

The Howard government now plans to stomp all over these finely honed local arrangements with one-size-fits-all legislative boots. It proposes through its bill that universities will be penalised if they levy any compulsory charge on students for services or amenities that are not of an academic nature. The expectation is that any charges for non-academic services, facilities or amenities will be voluntary. Often, but not always, these services and amenities are administered through a student association, guild or union. Most student governing bodies are elected annually and have well-developed systems of both internal and external democracy governing their operations. But if we take the government’s position on universities’ services and apply it to the broader community we can appreciate how fallacious it is.

Most communities in Australia regularly elect a local governing body to administer services to the community. The local governments raise funds to pay for these services in a number of ways, but principally through the levy of rates on landowners. Often landowners will not use all of the services provided by the local government and the local authority makes the judgment on how best to provide services and amenities to the majority of the local community. If an individual landowner objects to the manner in which the local government spends the revenue, one of the ways they can register their complaint is at the regular election. In the scenario with this bill, the Howard government’s proposal is analogous to the landowner paying only for the services and amenities they use within the community. If you do not use the local library, you do not pay. If you do not walk on the footpaths, you do not pay for them either. Never use the local sporting facilities? Take that off the bill as well. One does not have to possess great prescience or understanding of human nature to realise that under these arrangements many services and amenities offered by local authorities would become unsustainable almost instantly.

It is important to understand that a university is very similar to a local community in many regards. The student body makes decisions on the types and levels of services and amenities to best suit the majority of stu-
udents. If the students do not like the way their fees are being spent, they can change the make-up of the student body at an election. This line is certainly one the Prime Minister often takes in relation to less popular government decisions, and the Australian public can let the government know what it thinks at the ballot box. It is convenient to use that when it suits the Prime Minister but not when the analogy holds true to the principles of managing student services with a democratic arrangement.

Under the government’s model, many student services would become unsustainable and expensive—services such as child care, and sporting services, facilities and clubs. Food outlets, for example, would no longer be subsidised and students would be charged market rates. Student clubs and societies, international student services, health services and leisure activities would have to be wholly supported by the students who use them. Currently, many student bodies provide a number of services that many students hope they will never need, such as academic dispute resolution, internal advocacy or emergency loans. But this does not mean that there is an argument not to have those services available. These services may only ever be accessed by a fraction of the students but all students would take comfort in knowing that they are there if they are ever required. How would these crisis services be expected to operate in an environment of voluntary union fees?

The inevitable decline in university services and amenities will be most starkly felt, it is argued, at regional campuses where university services and facilities often meet the needs of the wider local area as well as those of the campus community. I think it is important to focus on the issue of sporting and cultural facilities because they make up so much of what is important in university life. I think it is particularly important to understand that many Australian universities are now competing in a global environment. It is the lifestyle issues and quality of life experience on an Australian university campus that have become so important in allowing them to sell themselves and market themselves not just domestically but internationally as a desirable place to undertake one’s tertiary education.

There are a couple of facts and figures that are critical to this debate in relation to sport. As the shadow minister for sport, I am yet to hear a comprehensive statement from the Minister for the Arts and Sport, Senator Kemp, regarding his view on the impact of the voluntary student union legislation and attack on student services. Australian University Sport estimates that the Howard government’s attack on student services under this legislation will deny sports clubs facilities and programs worth over $30 million each year and will threaten the viability of over $600 million worth of sporting infrastructure. This is not infrastructure that has just come up out of the blue; it is infrastructure that has been invested in by universities and students for generations. Without that investment going in each year, none of these clubs will have the business case to be able to sustain an ongoing infrastructure program.

It is not good enough to say that that is sunk capital, it is existing infrastructure; let the market take over. The very business model underpinning much of this infrastructure relates specifically to an ongoing revenue source from student fees. This has become very clear through the course of this debate. We know that the legislation will remove about 80 per cent of the money currently spent on sports scholarships, subsidies for sporting clubs, employment of sporting staff and the maintenance of sporting facilities.
Senator McGauran—A smokescreen for political activities.

Senator LUNDY—Senator McGauran insists on interjecting again, which just proves he is not in touch with his local community. You do not need to go too much further than regional Victoria to understand how passionate and desperate they are to get their message through to their representatives in this place to say that they do not believe that the facilities, for example, in Traralgon in the Latrobe area and in Ballarat—all of those places—

Senator McGauran interjecting—

Senator LUNDY—will be able to host the intervarsity games, the university games. They will not be able to host the local clubs and provide that experience—

Senator McGauran interjecting—

The ACTING DEPUTY PRESIDENT (Senator Brandis)—Senator McGauran, you are persistently interjecting, and it is disorderly. Come to order!

Senator LUNDY—Certainly very cogent arguments have been put forward around the country by students I have taken the time to meet, particularly those from regional Victoria. You do not need to look any further than the Melbourne University’s women’s football club, which has a strong regional presence. The advocates of that particular women’s football club have made it very clear that they believe that, without the social experience provided by that sporting club, they would not have had the positive experience, the support, the friendship networks or the capacity to keep themselves fit and healthy.

This brings me back to a very important point for the Howard government. During the last federal election, a lot of time was spent arguing about policy on spending more money on participation in sport and strategies to keep Australians more active. I applaud that because I, like many on this side of the chamber, have been arguing for more money, resources and policy focus on strategies to improve public health and levels of physical activity and wellbeing.

So how can this government conveniently ignore the fact that on the one hand they are prepared to invest hundreds of millions of dollars through the sports portfolio to try to generate more opportunities for after school sport and for sports activities as people move through their lives, while on the other hand they systematically, specifically and deliberately threaten $30 million of investment in sports clubs and threaten the viability of $600 million worth of sporting infrastructure? That does not make sense at all and I think there are a lot of people sitting on the other side of this chamber who know that that does not make sense. That infrastructure cannot be rebuilt. Once the business case collapses beneath it, it is very difficult to re-establish the use and viability of that infrastructure and the social and professional networks that are needed to keep those facilities alive in the clubs that use them. It is not something that can be plucked out of the air or regenerated.

It is not just students who have articulated their concerns about the impact particularly on sports clubs and sports facilities in universities. In fact, a statement was circulated some time ago now which basically says:

We the undersigned call on the Prime Minister and the federal government to support a sports facilities and activities fee that will address the above concerns and preserve the capacity of universities to deliver programs and services to the benefit of all Australians.

This particular statement has been signed by a whole range of elite sportspeople who have not only personally benefited from that investment in sports infrastructure within universities but who ought to know about this
because they have become leaders in their own right and can see the ongoing investment in both community sport and participation and the immense amount of infrastructure aimed at the elite level. The signatories include John Coates, Geoff Carr, Dr Ric Charlesworth, John Boulter, Rob de Castella, David Clarke, Llew Edwards, Liz Ellis, Trish Fallon, Gary Flowers, David Gallop, Kevan Gosper, Shane Gould, Elka Graham and so on. That has certainly been publicly available. The point here is that this is not a partisan issue. There are supporters from all sides of politics who have put their name to this statement.

This is the point I would like to conclude on. Labor, as stated by our shadow minister for education, Jenny Macklin, has put forward a sensible amendment that we think deals with the government’s ideological crusade against the existence of student unions in Australia’s universities. This amendment specifically identifies a vast range of services that will be allowable under legislation and for which a compulsory fee may be charged.

The real challenge for the government now is whether or not they have the intestinal fortitude to accept that this amendment resolves their misguided and ill-founded ideological campaign for VSU and are big enough to say that this is just a ghost of their past. Senator Brett Mason said it best: it is about the revenge of a generation of student unionists who found themselves on the wrong end of the ballot box in the 1970s and 1980s. It should not be about revenge. It is actually about commonsense. I urge everyone to consider Labor’s sensible amendment because it will allow these sporting facilities and opportunities to survive into the future. It provides a very sensible proposition for this chamber to consider.

Logging

Senator IAN MACDONALD (Queensland—Minister for Fisheries, Forestry and Conservation) (1.54 pm)—I rise on a matter of very great public interest. Some radical green group in their email newsletter said this about my namesake, Mr Ian Macdonald, the New South Wales Labor forestry minister:

In the view of Ecology Action this minister is an embarrassment to civil society and deserves to be sacked because the public has zero tolerance for such violence, especially in the current political climate. The fact that Minister Macdonald does not understand this reality and higher expectation and standard of communication is an indictment of his competence and commonsense and personal values. Frankly, he is a disgrace. If any protestor is hurt or blood spilled after the logger inspired barbecue at Cobargo tomorrow, it will be on Ian Macdonald’s hands as an apologist for, and in denial of, political violence.

All of this was because of a media release that was issued supporting a barbecue held by the Cobargo community to support sustainable logging in the south-east. The media release was headed, ‘Barbecue an opportunity to grill protestors’. Hang on a minute: it was not Ian Macdonald the state minister who issued this media release; it was Ian Macdonald the federal minister who issued it.

Senator O’Brien—They shot the wrong messenger.

Senator IAN MACDONALD—They shot the wrong messenger. The group who wrote this are so high on their hypocritical political campaign that they could not even work out who issued this media release. Their mates at crikey.com criticised me for referring to them as ‘the bong brigade’. For crikey.com’s benefit, I say that the facts speak for themselves and I rest my case.

Crikey.com went on, rather unkindly, I have to say, to describe me—and, inciden-
tally, they could not even spell my name correctly—as a ‘low profile minister in the Howard government pecking order in charge of forestry and conservation’. Crikey.com, you are probably right. I am a low profile minister. I just try to do my job and do the right thing by the people of Australia.

Senator Patterson—You are a minister—that is the important thing.

Senator IAN MACDONALD—As you say, Senator Patterson, I am a minister in the national government, which is more than Hugo Kelly will ever be. I say this to crikey.com: I may be low profile but crikey.com is super low profile in my electorate of Queensland. That is the electorate that has returned the Howard government the majority in this Senate with the election of Russell Trood to the fourth Senate position from Queensland in this parliament. Perhaps crikey.com owe me some reward for quadrupling their profile in my home state of Queensland.

I will conclude by giving some facts about the barbecue, which was conducted by ordinary mums, dads, teachers and workers at Cobargo to support the right to log in the forests down there. There were some 460 people at that barbecue, which clearly demonstrates just how important jobs are for a small town like Cobargo. This is a community of timber workers—timber workers that the Howard government clearly supports. I am delighted by having been able to support that community in getting together. Incidentally—for everyone’s benefit—the barbecue was held about 20 minutes away from where the forest protestors were encamped in the forest and any suggestion that there might be violence between them has been shown to be quite ridiculous. Good luck to those who want to carry on their jobs in country Australia and who want to lawfully log forests which are the most sustainably managed forests in the whole world.

QUESTIONS WITHOUT NOTICE

Iraq

Senator MARK BISHOP (2.00 pm)—My question is to the Minister for Defence, Senator Hill. Is the minister aware of a deteriorating security situation in the southern Iraqi city of Samawah, where, as the London Times states, rioters were ‘seen moving around the streets with rocket-propelled grenade Launchers’? Has the government assessed the extent to which civil disturbances in the city of Samawah may spread throughout the Al Muthanna province? Are the Australian troops responsible for securing this area exposed to greater risk as a result of the emerging civil unrest? Can the minister indicate what assessment has been made of the adequacy of resources that have been provided to our troops in the event that they are required to simultaneously confront both civil disturbances and possible attacks from insurgents?

Senator Hill—As the honourable senator says, there have been civil disturbances in Samawah. They seem to have arisen from a number of different causes—one being a shortage of basic services, particularly electricity. There have also been disputes about the police services. Unfortunately, as is sometimes the case in that part of the world, the civil differences very quickly deteriorated into violence. It would seem to have been complicated somewhat by some militia forces of Muqtada al-Sadr becoming involved. This has brought a response from the Iraqi army as well as the Iraqi police services. In relation to the Australian role: of course the Australians are not there to involve themselves in civil disturbances; the Australians are there to provide an element of security for the Japanese humanitarian mission and also to provide further training.
for the Iraqi security forces. Australians are not involved in providing a response to these civil differences. They are, of course, observing what is occurring and reporting appropriately.

As to whether they need further resources as applies to the civil disturbances, I have not seen any suggestion that they need further resources and I would not expect that they would, because they are not involved in providing a response to such disturbances. It is a worrying development—I would not hide that fact—but overall the province of Al Muthanna remains one of the most stable within Iraq and one in which there have been few instances of insurgency actions and even fewer instances of jihadist activity.

Senator MARK BISHOP—Mr President, I have a supplementary question arising out of the minister’s response. As he correctly identifies, the purpose of the Australian troops in this particular province is to assist the Japanese who are there. In light of that purpose and in light of the minister’s earlier response, can the minister indicate what action the government is taking in response to the concern raised by task group commander Lieutenant Colonel Roger Noble that Australian troops ‘can’t sanitise’ themselves completely from the civil unrest in Samawah?

Senator HILL—We rely on the professionalism of the ADF in such circumstances, and they are very professional and very capable. As I said to the honourable senator, it is not the Australians’ role to become involved in civil differences within the province. I suppose there is always the possibility that a particular Japanese humanitarian operation could receive attention from some elements of civil disobedience, but I have not seen any suggestion that that is happening and the Japanese are, in any event, very cautious in such circumstances. I would be very surprised if they allowed themselves to be put in a position where that might occur.

Climate Change

Senator ADAMS (2.06 pm)—My question is to the Minister for the Environment and Heritage, Senator Ian Campbell. Will the minister update the Senate on Australia’s commitment to working both domestically and with the international community to address climate change? Is the minister aware of any alternative policies?

Senator IAN CAMPBELL—Congratulations to Senator Adams on a question that is very important to Australia and very important to Western Australia. As someone who has lived in the wheat belt of Western Australia, she knows very well that climate change is already affecting the climate in Western Australia, with quite significant reductions in rainfall in the south-west affecting farm production. It shows all of us in Australia just how important saving the climate is, just how important addressing climate change is and how important it is not only to mix substantial domestic policies to address this within Australia’s borders but to work steadfastly internationally to ensure that we have policies that work to reduce greenhouse gas emissions while also expanding the energy available, particularly to developing countries.

Senator Adams would be pleased to know that the government have announced a series of measures that build on already substantial measures to see investment in renewable energies. We have had a massive expansion of energy provided by wind turbines. The Renewable Remote Power Generation Program, worth $205 million, has seen a substantial increase in wind turbine construction in Western Australia and many other parts of the country. On top of that we have had the Photovoltaic Rebate Program—which we have just extended for another two years—
and we allocated another $12 million for the Solar Cities program to develop three or four solar-powered cities and suburbs around Australia. On top of that, we allocated $100 million for the renewable energy development scheme, plus $500 million for a low emissions technology demonstration fund. These are substantial investments and historic levels of investment to reduce greenhouse gases in Australia while meeting Australia’s expanding energy needs.

We know, however, that we will not save the climate, we will not address climate change, unless we have substantial international agreement on this. We know that we have to look beyond Kyoto, we have to look beyond 2012 and we have to have a program and an initiative that brings together the world’s major emitters. That is why Australia has been actively engaged in the United Nations Framework Convention on Climate Change. We were delighted to be invited by Tony Blair to take part in the climate dialogue with 20 of the world’s leading economies in the lead-up to the G8 at Gleneagles. We are delighted to be invited by the British to be part of the dialogue following on from the historic agreement at Gleneagles coming from the G8 where the world committed to practical measures internationally.

I was also delighted to be part of the team of Foreign Minister Downer, the Prime Minister and Ian Macfarlane, the Minister for Industry, Tourism and Resources, in signing up to a historic climate change and clean development partnership for the Asia-Pacific region. It brings together China, India, Korea, the United States, Australia and Japan in a partnership that will take practical measures to reduce climate change.

Senator Adams asked about alternative policies. The last we heard from the Labor Party on this matter was on Valentine’s Day. They take climate change so seriously that their shadow environment spokesman and their leader did a stunt on Valentine’s Day. They put out a card. It is appropriate that they used Valentine’s Day to put out their policy, because the average Hallmark card has more detail in its message than the Labor Party’s policy on climate change. That is how seriously they take it. The whole world is moving beyond Kyoto, looking for practical measures to address the climate and save the climate, while the Labor Party are stuck, like a broken record, in the past. I suggest that the rest of the world has moved on from Kyoto. The suggested Hallmark environmental policy for Labor is: ‘Roses are red, violets are blue, the world is moving beyond Kyoto and so should you!’ (Time expired)

Telstra

Senator FORSHAW (2.10 pm)—I was tempted to recite, ‘The boy stood on the burning deck’, but I will go to my question. My question is to Senator Coonan, the Minister for Communications, Information Technology and the Arts. Can the minister confirm that Telstra upgraded their exchange in the Queensland town of St George to facilitate the commencement of broadband services in June 2005? Is the minister aware that this exchange was upgraded despite only 77 people indicating their interest in broadband on Telstra’s demand register? Can the minister explain why other exchanges, such as Kangaloon and Paddy’s Creek in New South Wales, need at least 200 people to be registered before Telstra will even consider upgrading those exchanges? When did the minister first become aware of Telstra’s plans to offer a preferential service to Senator Joyce’s home town? Can the minister assure the Senate that the upgrade of the exchange in St George met the normal business case that Telstra apply to these projects?

Senator COONAN—I thank Senator Forshaw for the question. As senators in this
place would know, the Higher Bandwidth Incentive Scheme that the government has introduced has probably been the most successful program for rural and regional Australia of any telecommunications program introduced by the government. Since coming to office, the government has spent in excess of $1 billion for rural and regional Australia. Included in these initiatives is the incentive to ensure that Australians are able to get connected and are able to get some bandwidth so that they can have access to better telecommunications and so they can live in rural communities and do business in rural communities and not be a poor second-best to people who live in metropolitan areas.

The guidelines for the Higher Bandwidth Incentive Scheme obviously vary from community to community. The program is designed to look at places where there is market failure and where telecommunications providers would not be connecting broadband were it not for this government’s incentive in providing subsidies on a competitive basis and on a technology-neutral basis to those who are going to install broadband. In fact, there is a demand aggregate register, which means that the program operates in such a way that, instead of having to have a number of people who register their interest, that number can be reduced because of the subsidy and this subsidy for the installation of broadband.

We have extended broadband to over 600 communities since this program got under way when I commenced in the portfolio. It has now been extended to over 600 communities. Even though I have travelled to 45 regional communities since I have been in this portfolio, the precise details of every single ADSL or other connection are not at my fingertips, and so I am not able to talk specifically about any particular roll-out of ADSL to any particular community. What I can say is that I am absolutely satisfied that this program is operating successfully—in fact, just a couple of weeks ago I announced funding of a further $50 million so that this very successful program could continue to be rolled out to rural and regional Australia.

I know that Senator Forshaw does not travel around much, apart from when he is on committees. Senator Conroy makes pronouncements about telecommunications from the vista of his Melbourne CBD office, which is a bit comical really. He has travelled to two regional communities since he has been in the shadow portfolio position. That does not really qualify either Senator Conroy or Senator Forshaw to make prognostications about rural and regional services. This government are extremely proud of the fact that we are connected to what consumers need in rural and regional Australia. We have put our money where our mouth is. We are there to plan for the future, and we are there to have telecommunications for the 21st century, and this government will ensure that Australians get it.

Senator FORSHAW (2.15 pm)—Mr President, I ask a supplementary question. I note that the minister did not really attempt to answer the specific question. Hopefully she might have some time to go away and think of an answer. However, I have a supplementary question. Can the minister confirm that the service upgrade in Senator Joyce’s home town follows the preferential attention that Telstra afforded to Senator Joyce’s parents when their phone service experienced faults last year? Does the minister intend to make it a requirement of Telstra’s universal service obligation to provide other members of The Nationals and their families with a preferential service?

Senator COONAN—I thank Senator Forshaw for the—

Opposition senators interjecting—
The PRESIDENT—Order! If you expect to get an answer from a minister, you should at least give them the courtesy of remaining silent so that she or he may attempt to give an answer. I ask you to come to order and allow the minister to reply to the question.

Senator COONAN—I thank Senator Forshaw for the supplementary question. The way in which you framed the question suggests that you do not know the difference between a subsidy to roll out a broadband connection and a universal service obligation which is available to all Australians. A universal service obligation is a basic service that does not discriminate against any Australian. All Australians are entitled to a standard telephone. That is very different to a priority program to provide subsidies to roll out broadband, where there are certain threshold requirements for the number of people who have to register their interest. I do not know whether the Labor Party are just disingenuous or whether they do not get it. This government are interested in rural and regional Australia. We will continue to make these improvements so that Australians get decent communications irrespective of where they live. (Time expired)

Workplace Relations: Reform

Senator FIFIELD (2.18 pm)—My question is to the Special Minister of State, Senator Abetz, representing the Minister for Employment and Workplace Relations, and is in relation to the need to further improve Australia’s workplace relations system. Is the minister aware of recent independent research—which highlights the need for and benefits of further reform to our workplace relations system? Is the minister aware of any alternative policies?

Senator ABETZ—I thank Senator Fifield for his question and acknowledge his very strong economic credentials and the keen interest that he has in the future economic development of our country. I am indeed aware of independent research—research so independent in fact that it was conducted by Labor’s economic analysts of choice; namely, Access Economics. The research, *Locking in or losing prosperity: Australia’s choice*, had two major findings.

Firstly, it found that without recent workplace relations reforms unemployment would be at a level of 8.1 per cent in our country today, not the 28-year low of five per cent. This reform includes the most difficult and recent reforms, undertaken by the Howard government in 1997, which were opposed all the way by the Australian Labor Party. In other words, if the Australian Labor Party had had their way and blocked all of our reforms, there would be an extra 315,000 Australians unemployed today courtesy of the ALP. Mr Beazley now claims that the IR lemon has been squeezed dry. In other words: forget the five per cent who are still unemployed, Mr Beazley has no policies to offer. This is not really an alternative that the Australian people have to consider anymore. They have the government with a set of policies and the Labor Party with a policy of simply opposing, with no fresh ideas of their own. Mr Beazley’s reform fatigue shows a very callous disregard for those who are still unemployed.

Contrary to the Labor Party’s preaching of doom and gloom, the second major finding of the Access Economics report is that further IR reforms will have a massive positive effect on Australian workers. In fact, the report finds that if further reforms are undertaken, including further IR reforms, each Australian could be better off to the tune of $74,000 by 2025—it is very hard to sell that as being worse off—and Australia could be the third most prosperous nation in the world. It is for these reasons that the government is determined to proceed with fur-
ther improvements to our industrial relations system.

As the President of the Business Council of Australia, Mr Hugh Morgan, recently said: ... if reform stops and we allow the economy to stand still or be overtaken by our competitors, everyone loses.

In fact, the Access Economics report estimates that unless further reforms are carried out Australia could slip back to 18th on the list of the most prosperous nations, where it was some 20 years ago. Instead of that, because of our reform proposals, we have the very real opportunity to lift Australia into third place on that scale, where every single Australian will benefit and be better off to the tune of $74,000 by 2025. What is more, we will help to lower even further the unemployment rate of those people who have been completely and callously disregarded by the Labor Party’s inability to come up with any reform proposals of their own. (Time expired)

Telstra: Privatisation

Senator CONROY (2.22 pm)—My question is to Senator Coonan, the Minister for Communications, Information Technology and the Arts. I refer to the minister’s comments on Inside Business over the weekend that she would not submit to standoff tactics during the debate over the privatisation of Telstra. Can the minister inform the Senate who it is who has been trying to stand over her? Is it the Telstra CEO with his call to dismantle the telecommunications regulatory regime? Is it the Deputy Prime Minister with his demand for a $2 billion regional slush fund? Is it Senator Barnaby Joyce with his demand for an even bigger multibillion dollar regional slush fund? Is it Senator Minchin with his demand that any operational separation regime not harm Telstra’s share price? Or was the minister referring to events leading up to the showdown at the hoedown in the coalition party room yesterday?

Senator COONAN—I do appreciate the question from Senator Conroy, but it is none of the above.

Senator CONROY—Mr President, I ask a supplementary question. Why won’t the minister inform the Senate of the identity of the person who has been trying to stand over her? Will the government commit to support referring this serious matter to the Senate Privileges Committee under standing order 109?

Senator COONAN—Mr President, I am sorry but I completely missed the second part of the supplementary question. When questions are addressed to me, Australians who listen to these broadcasts are interested to hear sensible information about telecommunications services in rural and regional Australia. I am always happy to detail what the government wants to achieve for rural and regional Australians and how much this government cares about ensuring that rural and regional Australians are looked after in terms of telecommunications infrastructure and services both now and into the future. Overblown rhetoric and silly questions will not get them that information.

Law Enforcement

Senator SCULLION (2.25 pm)—My question is to the Minister for Justice and Customs, Senator Ellison. Will the minister update the Senate on the cooperative efforts of the Australian and Indonesian governments in the fight against terrorism and transnational crime?

Senator ELLISON—This is a very important question from Senator Scullion. Australia’s relationship with Indonesia in the fight against transnational crime and terrorism has never been stronger. Last week I saw that first-hand when I went to Indonesia and opened the fourth and final stage of the Ja-
karta Centre for Law Enforcement Cooperation in Semarang, in central Java. This centre represents best practice in the region in relation to the fight against terrorism and transnational crime. In the last year, 355 participants from over 23 countries have undergone courses on post bomb blast analysis, anti-money laundering, human trafficking and investigation of transnational crime and, more recently, attended a comprehensive workshop on counter-terrorism.

It is essential that Australia engage in the region, and that is precisely what the Australian Federal Police are doing in relation to this centre of excellence. I firmly believe that, in years to come, this centre will be held out as a symbol of the great cooperation between Indonesia and Australia—two countries with completely different cultures but nonetheless totally committed in the fight against transnational crime and terrorism. Australians should remind themselves that we still have pending investigations into the Bali bombing, the Marriot Hotel bombing and the bombing of our embassy in Jakarta. Work is ongoing between the Indonesian National Police and the Australian Federal Police, and we are seeing cooperation at unprecedented levels between our two countries.

It is also important that we look at training and bringing together people in law enforcement for that relationship-building that is so essential to carry out this fight successfully. Of course, it does not just stop with Indonesia and Australia; we have to look at wider international involvement, and that is precisely what is happening at JCLEC, the Jakarta Centre for Law Enforcement Cooperation. The French recently hosted a human trafficking course. The Netherlands is contributing money towards the centre. The United States has become involved and Scandinavian countries have also expressed an interest. This means that this centre has been recognised internationally as best practice in our region. That is how we have to address these sorts of problems.

Transnational crime is an issue that will not go away. Transnational crime in one country can be local in another. We all know about the scourge of illicit drugs and the drug trafficking that exists internationally. It is perhaps the biggest criminal enterprise that we see today in the modern environment in which we live. That is why it is so important that we concentrate our efforts on transnational crime. But we have also seen a relationship between transnational crime and terrorism, and those same tools that we employ to fight transnational crime can also be used to fight terrorism.

The Jakarta Centre for Law Enforcement Cooperation will be held out in the region for years to come as a symbol of the great relationship that exists between Australia and Indonesia. As well as witnessing the work of the Australian Federal Police, when I opened our office in Jakarta in April I also saw the great work that the Australian Customs Service is doing. We are doing work with the Indonesians on port security and border protection. That in itself is another story and another great example of the close relationship Australia has with Indonesia in fighting terrorism and transnational crime.

Food Labelling

Senator BROWN (2.30 pm)—My question is to Senator Macdonald, the Minister representing the Minister for Agriculture, Fisheries and Forestry. In light of the impressive group of farmers who have come to Parliament House from Devonport—supported by a large number of people, including members of all political parties—I ask what commitment the government is making to the request from farmers for truth in food labelling, in particular, to have ‘made in Australia’ mean 100 per cent made in Australia,
and to have the origin and the quantity of foreign imported goods clearly marked on goods for sale in Australian supermarkets? Can the minister say whether a review of food labelling is to be undertaken and if the government will commit to legislation so that consumers can know that when they buy Australian made it is just that, and that if there is foreign content it will be clearly labelled on the product?

Senator IAN MACDONALD—I genuinely thank Senator Brown for raising an issue that is very important to the Howard government, primary producers and fishermen throughout Australia. Indeed just last Friday, Senator Brown, you may recall that I launched the Howard government’s election initiative of a 1800 number which allows consumers who believe that fish is not being properly labelled—and not being labelled as imported when it clearly is—to phone this 1800 number. Seafood Services Australia have been contracted by the government to take those calls and pass them on to the relevant authorities. Those few dodgy seafood retailers who are not labelling properly will be reported to the authorities, investigated and, if found guilty, they will be substantially fined and, more importantly, they will be named and shamed in this parliament and publicly. That initiative, which was launched last Friday, is an honouring of a Howard government commitment made before the last election.

As well as that, we have our HomeGrown campaign. This is a further initiative of the Howard government. HomeGrown provides a generic logo to help consumers identify food that is 100 per cent Australian grown, farmed or fished. The Australian government is providing funding to kick-start the Australian HomeGrown campaign but it is not designed to be a government initiative. It is designed to be an industry driven initiative, managed by a private not-for-profit company, Australian HomeGrown Ltd. They are just a couple of the initiatives that the Australian government has embarked upon.

I think Senator Brown also asked about FSANZ—Food Standards Australia New Zealand. That is a group made up of all of the state Labor ministers for health and the Commonwealth minister or parliamentary secretary for health and the Commonwealth agriculture minister. It also includes New Zealand ministers for health and agriculture. Unfortunately, a few months ago this particular issue of labelling was brought before FSANZ and the majority of members—not the Commonwealth ministers, I might say—that thought we should perhaps do away with the requirement for country of origin or imported labelling. A lot of water has passed under the bridge since then and there has been a lot of work done by many on my side of the chamber, including Tasmanian senators, and Mark Baker, the member for Brad- don, in particular. They have done a lot of work following the atrocious decision by the McDonald’s food chain—no relation to me I might add—to not use Australian produce. A lot of work has been done on that. As a result of that—I do not want to pre-empt the FSANZ ministers meeting which is coming up shortly, and it certainly would be improper for me to predict what the state Labor ministers and New Zealand ministers will do—I know that the Australian government ministers will be firmly supporting proper labelling of food so that the consumer has a choice.

We are not against imported products but we do want Australian consumers to be fully aware of what they are buying. This is particularly the case in the fishing industry. We import 60 per cent of the fish we eat, so we need that imported fish, but we want the consumers to know when they go into the fish shop whether that is an imported piece of fish or an Australian wild caught or home-
grown piece of fish. There are a lot of initiatives happening. I share your concern, Senator Brown, and hope that we can address it. (Time expired)

Senator BROWN—Mr President, I ask a supplementary question. The farmers tell me that Mark Baker has been helping to advocate for them along the way. Will the minister seriously look at the legislation which I intend to introduce on behalf of the Australian Greens later today for truth in food labelling which will mean that ‘made in Australia’ means 100 per cent made in Australia and that food of foreign origin has to be labelled not only according to the country it comes from but also according to the percentage of content in that foodstuff that is of foreign origin? Will the government seriously look at that legislation with a view to either adopting it or bringing in its own legislation if it can improve on it?

Senator IAN MACDONALD—This is a consultative government. This is a government that takes advice from lots of people from all sides of parliament. I just accepted an opposition amendment to a bill we looked at earlier today. We are very consultative. We will always look at good suggestions that come from the Greens—

Senator Abetz—that’s an oxymoron!

Senator IAN MACDONALD—the Democrats or even the Labor Party. If it is a good suggestion we will look at it. Senator Abetz suggests that that is an oxymoron—a good suggestion from the Greens. But we will have a look at your bill, Senator Brown. I suspect that what you are proposing is already being done by the Australian government, or being done by this other group of people. Food standards is an Australian and New Zealand thing that the state governments have principal responsibility for because they have a constitutional requirement. We will have a look at your bill and see if somehow you are going to override the state’s requirements in this. I do hope, as Senator Kemp says, that you have consulted with the states on this—(Time expired)

Drugs in Sport

Senator LIGHTFOOT (2.36 pm)—My question is addressed to the Minister for the Arts and Sport, Senator the Hon. Rod Kemp. Will the minister outline to the Senate the progress being made by Australia in the global effort to stamp out drugs in sport? Is the minister aware of any alternative policies?

Senator KEMP—Thank you to my colleague Senator Lightfoot for this very important question. I am delighted to report to the Senate a major development in Australia’s fight against drugs in sport. Since I last spoke to the Senate on this topic, in June I believe, I can report that all major sporting codes in Australia have confirmed their decision to become World Anti-Doping Agency code compliant.

Senator Chris Evans—That is what it said in your press release at the time.

Senator KEMP—I do not know why you are sneering at this, Senator Evans. This is a very important development and one which is strongly welcomed.

Senator Chris Evans interjecting—

Senator KEMP—Senator Evans, you are an embarrassment. This development has been strongly welcomed by the Australian public—and, I would have believed, by the Australian Labor Party, so I am surprised to hear your comments. This government has a zero tolerance policy when it comes to doping in sport and is committed to delivering a policy that is tough on drugs but fair. Australia, as senators will know, has a very proud record in the sporting arena without the use of illegal or performance-enhancing drugs. The Australian government, let me assure the
Senate, is committed to protecting and enhancing this reputation by leading the international fight against drugs in sport.

Senators may recall that in the coalition government’s 2004 election policy we committed to providing over $13 million over four years to continue the fight against drugs in sport. I can report to the Senate that this funding was delivered in the government’s 2005-06 budget. Also included in our election commitment was that the government would require, as a condition of funding, sporting organisations to implement anti-doping policies and practices which are consistent with the World Anti-Doping Code. I can indicate to the Senate that since the election the government have been working very closely with all sports to achieve code compliance this year. I am particularly delighted that the AFL, the NRL and Cricket Australia have confirmed to me that they will become WADA code compliant. This is a very important development and a recognition by these sports of the value of the code in ensuring that the global fight against drugs in sport continues.

This government wants a sporting environment free from drug cheats where athletes are able to compete fairly. One way of achieving this is through the WADA code, which will deliver an anti-doping code throughout the world. This is one of the reasons why the Australian government has taken a leading role in the fight against doping in sport—to ensure that all countries are code compliant. Australia’s commitment to anti-doping in sport will be on show at the Melbourne 2006 Commonwealth Games, with a comprehensive program being conducted before and during the games. This will include testing here and overseas in the lead-up to the games to ensure that drug cheats do not take home medals from the 2006 Commonwealth Games.

There are a number of other reasons why this government is committed to the Australian anti-doping regime in which all sports are WADA code compliant. In many cases our athletes are role models and leaders in the community. Our children look up to them and will be influenced by any perceived weakness or backdown on such an important issue. I would have thought that the Labor Party would have been very strongly supportive of the government’s position on this. I hope that that is the case and that we can ignore the somewhat cheap and trivial comments of Senator Evans. (Time expired)

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the chamber of a parliamentary delegation from Canada, led by the Hon. Peter Milliken, Speaker of the House of Commons. On behalf of all senators, I welcome you to Australia and particularly to the Senate. With the concurrence of honourable senators, I propose to invite Mr Milliken to take a seat on the floor of the Senate.

Honourable senators—Hear, hear!

Mr Milliken was seated accordingly.

QUESTIONS WITHOUT NOTICE

Voluntary Student Unionism

Senator WONG (2.42 pm)—My question is to Senator Ellison, the Minister representing the Minister for Education, Science and Training. Can the minister confirm whether the government is intending to provide grants for regional and rural universities to compensate them for the loss of student services under its extreme voluntary student unionism proposal? Is it the case that the government is considering these taxpayer funded grants for regional and rural universities in order to gain National Party support for its ideological attack on student organisations? With Liberal Party members and sena-
tors also concerned that metropolitan campuses will lose services under VSU, will the government extend these grants to metropolitan campuses or does it intend to create two classes of students? How will the government decide which universities need grants and which students need services? Can the minister provide a rock solid guarantee that the government will not just pork-barrel universities in National Party seats?

Senator ELLISON—The government does not accept for one minute that voluntary student unionism will in any way see a reduction in services. The example of Western Australia showed that. There was no diminution in services and it did not bring the end of the world, as everybody predicted. In fact, I saw that at first-hand on visits to the campus of the University of Western Australia. What we are all about is empowering students to give them some freedom of choice. Universities, which are supposed to be havens for free thinking and searching wisdom, should also be proponents of freedom of association. One would think that freedom of association would be a principle held dear by universities around this country.

Of course, what we see from the ALP is that old socialist policy, the collectivist attitude against the freedom of the individual, where they will impose compulsion on an individual so that that person has to pay fees before they can engage in studies. That is an outrageous situation to have in a free country such as Australia—to say, ‘You cannot engage in studies. You cannot engage in pursuing excellence to enhance your talents. You cannot do that unless you pay a compulsory fee first.’ That is what they are on about. They are all for taking, by compulsion, $170 million a year off students, who can least afford it. What is more, how would they explain it to someone who engages in long-distance studies and never attends the campus? ‘You have to pay this compulsory fee because there are services provided on campus.’ Quite frankly, this is not only a farce but also a matter of principle which flies in the face of freedom of thought in this country and freedom of association.

We saw in Western Australia, where you had voluntary student unionism, no diminution in services. What you will see is people voting with their feet. If a service or a sporting body is so good, students will pay money to that organisation to join it. That will be the test. If they can offer a true service or facility, students will pay on a voluntary basis to join it. What could be better than that? What we are about is providing freedom of choice. We do not believe that students should be forced to pay fees which are somewhere in the region of $100 through to $500 when they are not that well-positioned to afford it. More importantly, there is the principle that you demand a compulsory fee from an Australian student or any student before they can engage in studies—a fee which has no relevance to the tuition they are getting.

Senator WONG—Minister, don’t the calls—including from within the coalition party room—to provide grants to bail out universities suffering the effects of the issues show that the changes are nothing more than an ideological attack on student organisations and student services? Won’t these plans force university services to close down and also discourage international students from choosing Australian universities? And won’t plans for cash handouts for regional universities simply mean that some university students will get a better deal than others, depending on where they live?

Senator ELLISON—If freedom of association is an ideology then that is one that I proudly subscribe to. This is about a principle which is wrong. It is wrong in principle not to allow freedom of association, especially on the tertiary campuses in this coun-

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try, Australia, which is a free democratic country. We are saying, ‘No, you will pay a compulsory union fee before you can commence your studies’—a fee which in no way is related to the tuition of a student. It is an outrageous situation and we will not stand for it. If it is an ideology, I make no apology for it because that is what we stand for. We took it to the people of Australia at the last election. They know where we stand and they voted for it.

Coastal Environment

Senator BARTLETT (2.48 pm)—My question is to the Minister for the Environment and Heritage, Senator Campbell. I note the minister’s comments on the Jon Faine program on 25 July when he spoke of the need to address the ‘massive, unprecedented destruction of our coastal environment’. Given the clear need for better control of coastal development, particularly in my home state of Queensland with the fastest growing population in the country, will the minister commit to ensuring coastal development is included as a specified matter of national environmental significance under the federal Environment Protection and Biodiversity Conservation Act? In the meantime, will the minister now take a stronger stand, using powers he already has under this act, to cease approving every one of the steady flow of residential and commercial development applications along the length of the Queensland coast, such as at Mission Beach, surrounded by the wet tropics World Heritage area, where the local population of the iconic cassowary is threatened with being completely wiped out by continuing development?

Senator IAN CAMPBELL—I think it is a very important issue for Australia. I made some comments recently, which Senator Bartlett has picked up, on the need for a longer term vision for Australia’s coast. Our good friends who join us from Canada would probably have a perception of Australia that many people in Australia and around the world would share: that we have an enormous and endless coast, with white beaches, perfect turquoise waters and azure seas, and that it is an endless resource. But the reality, when you look back on Australian history, is that through those sorts of planning policies that have been pursued by state and local governments in the past, you have planning that does not look at the longer-term vision. In many parts of Australia we have a continual one kilometre by one kilometre chewing up of the coast.

Senator Bartlett referred to the fact that the Commonwealth already has substantial legal and constitutional interests in a range of coastal issues. We have to approve developments where there are threats to migratory birds and where there are other national interests, and we already have a number of areas where the Commonwealth has to be involved in the approval process. I believe that it is timely that all three levels of government get together and seek to put in place a 30-year vision for the coast. This should not take away from the fundamental constitutional rights of the states and local governments over land use planning.

The senator referred to developments approved along the Queensland coast. Primarily, development along the Queensland coast is something that the Queensland government—which I remind honourable senator’s opposite is a Labor government—has primary responsibility to approve. There are no approvals that I recall making that had not already been approved by the Queensland Labor government. What I am saying is that the Commonwealth is often called in after development proposals have been through a local process and a state process, and then, often towards the end of the process, it comes to the attention of proponents or peo-
ple within the local area that there may be a Commonwealth trigger under the federal environmental law, known as the Environment Protection and Biodiversity Conservation Act—one of the strongest federal environmental laws on the planet.

What I am suggesting is that we identify those areas of Commonwealth interest well in advance; that we work with the state and local governments to identify a long-term plan that protects many parts of our precious coast and ensures that the sorts of population pressures that will naturally build up in Australia over the next 30 years are addressed 30 years in advance; and that we do it in a sophisticated and sensible sort of way.

Eighty-five per cent of all Australians live within 50 kilometres of the coast; 25 per cent live within three kilometres of the coast. We love the coast and in many respects we are loving it to death. Unless we have an integrated coastal planning policy which involves all three levels of government—not crossing across their traditional constitutional and policy roles but integrating them in a sensible and sophisticated way—we will see the coast look nothing like it does today. The coast has changed beyond recognition over the last 30 years, and it will happen again if we do not have that sort of approach. That is the way that I would like things to proceed, and I will work with my state and local government counterparts to ensure that we have a better coastal planning policy for the future of Australia and her environment.

Senator BARTLETT—I ask a supplementary question, Mr President. In his answer the minister noted both the need for long-term vision and the problems caused by continual piece-by-piece, one-off approvals. Given his answer, and the precedent of the court ruling in the Nathan Dam case that under the existing law the minister must consider the flow-on consequences of an individual development rather than just the immediate on-site impact, how can the minister possibly have approved the Reef Cove resort at False Cape near Cairns, given that the area is home to a number of threatened species, is between two world heritage areas, and that this will inevitably lead to the opening up of this relatively unspoilt peninsula to a wave of further development applications? What is the point of having what the minister himself described as one of the strongest environmental laws on the planet—made so, I might add, courtesy of the Democrats—if you are not willing to use it?

Senator IAN CAMPBELL—One of the ways that we will ensure that Australia has good environmental policy is to ensure that people are not misled about it. There needs to be accuracy in this. Under all three of the coalition’s environment ministers—including Senator Robert Hill, who is with us in the chamber today, and who was the architect of the environment protection law of this country, and David Kemp, whose great achievement was the massive expansion of protection for the Great Barrier Reef, which the Labor Party seeks to tear up and destroy—we have seen approvals. The misleading part of the senator’s question is to just say that we continue to approve these developments, because we do it with stringent pro-environmental conditions—pages and pages and pages of conditions—that ensure strict environmental management. To just say that approving a development is somehow against the interests of the environment is misleading the Australian public. We do approve developments, but we do so with strict environmental conditions that see a balance between environment and development. That is what Australia needs: sensible balance between development needs and protecting our precious environment. (Time expired)
Voluntary Student Unionism

Senator LUNDY (2.55 pm)—My question is to Senator Kemp, Minister for the Arts and Sport. I refer the minister to reports that the government is considering bending to the demands of the National Party to provide cash grants to regional universities in order to maintain student sporting facilities and cultural activities. Isn’t this action only necessary because of the government’s anti student services legislation? Aren’t sporting facilities and cultural activities in suburban universities also threatened by the government’s plans? Can the minister explain why these universities are not worthy of the same National Party special deal? Is it in fact the case that these universities are being left to wear the consequences of the government’s ideological attack on student services in universities?

Senator KEMP—I note Senator Lundy has been brought back out of the sin-bin to being the shadow minister for sport. Senator Lundy, as we all know, was dropped from that position in more recent times, and I think that was in part because of your failure of policy. I think your policy to put a four-lane highway through the AIS was a policy not welcomed by sport. And there were a couple of other policies which I think were a disaster for the Labor Party.

Senator O’Brien—Is that in order?

The PRESIDENT—Minister, I remind you of the question.

Senator KEMP—I was just making the point that this is the first question that Senator Lundy has asked as the shadow minister for sport.

Mr President, Senator Lundy should have listened to the excellent answer that was given by my colleague Senator Ellison. It is very unusual that we get two questions which are almost precisely the same from the Labor Party in question time, which rather shows that either they did not listen to Senator Ellison’s question or there is very poor coordination in their question committee.

Senator Carr interjecting—

The PRESIDENT—Order, Senator Carr!

Senator KEMP—The reason that VSU is being brought in is that when I hark back to my days as a student at university, and that is a while ago—it has been a while ago for you too, Senator Campbell!

Senator George Campbell—I never went to one!

The PRESIDENT—Order! There is too much noise in the chamber.

Senator KEMP—What the Labor Party cannot tolerate is that no more student funds are going to be conscripted to promote radical political causes at universities. What they cannot tolerate is the fact that the campaign which the student Liberals have run over a very long time has now seen the light of day, Senator Lundy—

Senator Lundy—Come on—stand up for sport!

Senator KEMP—It is bad, bad news for student radicals, Senator Lundy. I agree with you. If they want to promote their campaigns they will have to go out and raise their own money, because students will not be paying for it.

Senator LUNDY—I ask a supplementary question, Mr President. It is clear that the minister has decided not to stick up for sport and the arts. I ask the minister: how will the government treat city or suburban universities that have regional campuses? Does the government plan to fund sporting and cultural activities at regional and suburban campuses of the same university differently? Why is the government creating two classes of student?

Senator KEMP—I point out to you again that the question you have raised was very
well answered by my colleague, Senator Ellison. This government is very committed to sport. There can be no question about this government’s commitment to sport and we will compare our commitment to sport against yours anytime whatsoever. We are committed to VSU. We are committed to making sure that that policy, which has been long on our books, is given effect. We will obviously be monitoring what happens in other areas, but the truth is that the days when student radicals can rely on a secure source of funds are now over.

National Resource Management

Senator McGauran (2.59 pm)—My question is to the Minister for Fisheries, Forestry and Conservation, Senator Ian Macdonald. Will the minister inform the Senate of recent achievements by the government in the practical conservation of Australia’s land, rivers and oceans? Is the minister aware of any alternative policies?

Senator IAN MACDONALD—Our commitment to practical conservation outcomes I think justifies the description of the Howard government as the greenest government in Australia’s history. Senator McGauran will well know that we have established 57 community based natural resource management groups around Australia. We have been investing through them in practical, on-ground environmental and conservation outcomes through the $3 billion Natural Heritage Trust. That trust leverages money from state governments, businesses and community organisations and invests in strategic plans put together by those 57 regional community groups. This is in addition to the $1.4 billion the Howard government has contributed to the National Action Plan for Salinity and Water Quality in boosting conservation efforts for natural resource management groups.

Recently I had the pleasure of driving by road out into western Queensland, up in the gulf country. I had the honour of launching the northern gulf catchments management plan in Georgetown; the southern gulf catchments natural resource management plan the following day in Julia Creek; and, later on that week in Mackay, the Mackay-Whitsunday region plan, and handing over cheques for some $6.9 million to those community groups. I also attended Knocklofty reserve in Hobart to announce a $19 million contribution to three NRM groups in Tasmania. That will allow the Tasmanian conservation groups to do really practical work on the ground.

Practical conservation does result from these investments—like the ghost net collection up in the Gulf of Carpentaria. One million dollars has gone towards recovering discarded foreign nets from the gulf to save marine wildlife. Some of the money goes to helping in the conservation of rivers right around Australia. We are assisting with Mimosa pigra control in the catchment below the Peter Faust Dam in Proserpine. We have helped to control erosion in the west, in an area that is home to vulnerable species such as the Julia Creek dunnart. A lot of work is being done.

While I was in western Queensland I also addressed the Great Artesian Basin Coordinating Committee, which is a group helping to restore pressure to the Great Artesian Basin with the help of some $73 million of Commonwealth government funds. As well on that trip I looked at some of the work being done in weed containment and control in Australia. Weeds cost Australia something like $4 billion a year. Their control and containment is principally a matter for state governments, but the Commonwealth government has shown leadership and initiative. It has made a $40 million investment to give national leadership.
I am asked about alternative approaches. This practical approach of the Howard government is in stark contrast to that of the Greens and the Labor Party, whose approach is reactionary—

Senator Carr interjecting—

The PRESIDENT—Senator Carr, you have been particularly noisy today. We are almost finished. Can I just ask you to keep quiet for a bit longer so that we can finish the question.

Senator IAN MACDONALD—The Labor and Greens approach is reactionary and based on poor polling in inner city electorates, demonstrated, I might say, by their policy on the Tasmanian forest. It was an absolute disaster for Labor. Not only did it have no conservation outcomes; it would have destroyed the jobs of hundreds of workers. The Howard government is practical in its conservation approaches. (Time expired)

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

The PRESIDENT—I am sorry; I was just about to call one of the Labor Party members.

Superannuation Funds

Senator SHERRY (3.04 pm)—My question is to Minister Coonan, the Minister representing the Assistant Treasurer. Is the minister concerned at the alarming results of a Superannuation Trust of Australia employer survey, which shows that four out of 10 employers—some 160,000 out of 400,000—failed to provide choice of superannuation funds to almost two million eligible employees by the required legal date of 28 July 2005? Didn’t this 40 per cent failure rate occur despite a massive $15 million government funded propaganda campaign? A 40 per cent failure rate—isn’t this clear evidence that an incompetent Liberal government has imposed a new, costly red tape burden on business that business is struggling to comply with?

Senator COONAN—I thank Senator Sherry for the question, although it never ceases to amaze me that Senator Sherry can actually have the gall, after some nine years, or even before that, not to have had a superannuation policy on behalf of the Labor Party. He said he was going to start with a blank piece of paper. What this government has done—

Senator Sherry—Mr President, I rise on a point of order on relevance. It was a question to the minister about the failed implementation of her policy. She should be relevant and answer my question.

The PRESIDENT—The minister has been on her feet for 20 seconds. She has 3½ minutes left. I am sure she will get to the question.

Senator COONAN—In answering the question, of course, I am going to be detailing what this government has done not only by way of its far-reaching reforms of choice in the face of consistent opposition by the ALP but also in a number of other areas. The government has really made very far-reaching reforms in the whole area of superannuation. Not only by way of choice but also by way of co-contribution and other policies, what this government has seriously addressed is the need to encourage people and to provide incentives for them to save for their retirement—particularly those who otherwise would not have any incentive to either have any ownership of their superannuation or be connected to their savings, and who would otherwise not be in a position to save for their own retirement.

With respect to the choice legislation, the government has in fact provided employees with the ability to choose where they put their savings. It is extraordinary that it took...
this long for legislation to be passed. It was longstanding government policy. I am extremely proud of the fact that this government has been able to move to give Australian consumers choice and to give people an opportunity to save for their own retirement.

Senator Sherry—Mr President, I rise on a point order that goes to relevance. The minister has so far failed to address the question I asked, which was in relation to the failure of four out of 10 employers to provide the forms necessary under the law.

The President—The minister still has two minutes to go and, Senator Sherry, you were lucky to get the question in the first place.

Senator Coonan—I am very surprised that Senator Sherry and the ALP seem to be objecting to how I am answering the question. I am detailing for those listening to question time how they can take advantage of choice, how they can make some choices to where they put their savings so that they can build a nest egg and build for their retirement, and how they can take advantage of this government’s far-reaching approach to savings. The ALP could never bring themselves to embrace choice. The ALP could never bring themselves to embrace choice. They talked about it under all sorts of other guises, but they were never able to embrace choice.

Senator Chris Evans—Mr President, I rise on a point of order. You have traditionally allowed ministers the ability to warm up, and we have allowed that as well. Quite frankly, the minister has been going for 3½ or four minutes and has made no attempt to answer the primary question, which went to the fact that 40 per cent of employers are failing to comply with her legislation. Could you please ask her to at least attempt to address the question?

The President—I hear your point of order, Senator Evans. You know and I know that I cannot tell the minister how to answer the question; I can remind her of the question. She still has 1½ minutes left.

Senator Coonan—I am warming to my theme about this government’s approach to making sure that those who wish to save for their retirement can do so and can have some choice as to where they put their savings. Senator Sherry is complaining about something that I would not take on his say-so; I certainly would not. I would not even assume that Senator Sherry would be capable of carefully and correctly articulating a position. The relevant point about this question is that Australians want to know that they can choose where to put their own savings. This is something that this government has regarded as important. It is something that we have now legislated for, and we have now got a number of regulations to ensure that it will happen. This government cares about people’s savings, and it cares about giving people some choice over their own destinies. It is not something the Labor Party likes to hear. It is something the Labor Party criticises, but this government will continue to make sensible enhancements to superannuation for the benefit of all Australians.

Senator Sherry—Mr President, I ask a supplementary question. The question to the minister was in relation to four out of 10 employers failing to provide two million employees with the forms required to exercise choice. In part, is that not because the government printed only 1½ million forms for the five million employees eligible? Why has the government failed to provide the necessary forms in order for employers to provide choice in the first place?

Senator Chris Evans interjecting—

The President—Order! Senator Evans, this is a question from your side of the Senate. I would hope that you would at least give the minister an opportunity to answer it.
Senator COONAN—It is extraordinary that Senator Sherry pretends to know what this government has done by way of printing forms. Quite clearly, Senator Sherry—

Honourable senators interjecting—

The PRESIDENT—Order! Senator Coonan, do you wish to add anything further to your answer?

Senator COONAN—I suggest that Senator Sherry goes back to his blank piece of paper and tries to explain to the Australian people why the Labor Party has consistently opposed choice.

Senator Sherry—Mr President, I rise on a point of order that again goes to relevance. How is this answer possibly relevant to the question asked? If she does not know, she should not answer.

The PRESIDENT—There is no point of order.

Senator COONAN—Senator Sherry has by his complete silence on superannuation consigned himself to irrelevance. I have nothing further to add.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Telstra

Senator COONAN (New South Wales—Minister for Communications, Information Technology and the Arts) (3.13 pm)—I want to add some further information to a question I received in question time today that seemed to insinuate that Senator Joyce had received some favourable treatment—or at least St George, his community, had received some favourable treatment—in connection with the government’s HiBIS. Further to that answer to Senator Forshaw, I have now been advised that upgrading an exchange is a result of a demand register of fewer than 75 people is not the least bit unusual. The business case in each town is of course different. Thanks to HiBIS, most exchanges can be upgraded with fewer than 75 people expressing an interest. For example, the town of Haddon in Victoria upgraded with a register of 35 interested people; the town of Hampstead in South Australia upgraded with a register of 48 people; Southbrook in Queensland had just 30 people; and Stanley in Victoria had 57 people. I could add many more to this list.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Voluntary Student Unionism

Senator CHRIS EVANS (Western Australia—Leader of the Opposition in the Senate) (3.14 pm)—I move:

That the Senate take note of the answers given by the Minister for Communications, Information Technology and the Arts (Senator Coonan) and the Minister for Justice and Customs (Senator Ellison) to questions without notice asked today. I do not want to spend a lot of time on the unedifying brawl that is the coalition government at the moment, dominated by calls for expulsion, bullying and standover tactics. I understand that yesterday Senator Heffernan—he is better known as ‘Senator Heffalump’ in some quarters—was muscling-up in the party room. It is an unedifying mess; it is a government in disarray. I do not want to concentrate on that; today’s media did that very well. What I want to concentrate on today are the answers given by two ministers, Senators Coonan and Ellison. Today we got a clear view of the dominance of ideology over the government.

Senator Ellison could not constrain himself: he threw away the brief. Normally he sticks to his brief very rigidly but today he threw away his brief because he was on his old ground. I remember the University of Western Australia in the old days—back to
the old VSU arguments by student politicians. It is the most important thing in the old ideological agenda. They have been nailed by The Nationals. The Nationals do not care about that stuff; they are interested in serving people in the bush. I give them credit for that. They are about ensuring a very good deal, by some unusual tactics no doubt. But you can see the ideology oozing out of the government. They have finally got their hands on the levers of power—they have the numbers in the Senate—so they want to go on about VSU.

I was down at the shops the other day when a couple of people stopped me and wanted to talk about politics. Not one of them mentioned to me their concern about student unionism. They were worried about feeding their kids, getting a job and how family leave entitlements would affect them. They never raised with me their great concern about how student guilds are funded in Australia. That is not the issue that is worrying most Australians but it is worrying your party room because it is driven by ideology. It is driven by the opportunity to use its Senate majority to get back to the old ideological agenda. All the old student politicians here made it into parliament but they never won a debate or an election at university because, as they said, they were beaten by the Maoists and the Trots. Those guys could not even beat the Maoists and the Trots in a ballot at university. But this is their chance. They have their hands on the levers of power and they are going to fix the old wrongs. Senator Mason said it is about settling old student battles—‘we are going to win now’—so they are muscling-up to each other and they are pushing and shoving and fighting because it is all about ideology. The Howard government finally got the levers in the Senate and it can run with really important issues such as voluntary student unionism.

I think that Australians want to hear the Howard government talking about families, family leave, work and family balance, opportunities for kids, the skills crisis and the infrastructure crisis. But, no, what are you guys going on about? What are the Liberal and National parties talking about? They are having an internal debate about voluntary student unionism. How pathetic. The other agenda, of course, is industrial relations. They say, ‘We have record growth and record employment but we really have to fix the IR system.’ It has nothing to do with fixing anything; there is no economic case. It is about ideology: John Howard’s 20-year battle to leave his mark on the industrial relations system. The government is now driven by ideology. Senator Barnaby Joyce, whom I have not yet formally met but I must go over and say hello—I hate to give him all this publicity—is quoted in today’s paper.

Senator Hill interjecting—

Senator CHRIS EVANS—Yes; he does not need my help. Senator Joyce is quoted in today’s paper as talking about wanting to change the ‘absolutism’ of the current government. I knew what that word meant but I looked it up in the dictionary because I wanted to be sure. The definition in the Oxford Dictionary talks about the principle of absolute government and ruling arbitrarily. It uses the word ‘despotic’. One of the government’s own senators has captured what this government is now about: the principle of absolute government—ruling arbitrarily, running an ideological agenda driven by cabinet ministers who are desperate to win some battles, including ones they lost at university. How pathetic it is that they think that those are the concerns of ordinary Australians. You have let the power go to your head before you have even started—(Time expired)
Senator HUMPHRIES (Australian Capital Territory) (3.19 pm)—I am delighted to follow Senator Chris Evans in this debate because I am a former student politician who did win elections. In 1982 I was elected as President of the Australian National University Students Association with a 65 per cent majority—compared to 35 per cent—on a platform of voluntary student unionism. Let me advise Senator Chris Evans that it is not this side of the chamber that has lost touch with the majority of Australians on this argument. It is you people who have lost touch with the majority of Australians on this question. The majority of Australian society has moved on with respect to compulsion within Australian life. You do not find many compulsory unions of any description in Australian life these days, Senator Chris Evans. You might not have been out in the work force very much in recent years but that is the fact.

The concept of having to belong to a particular organisation in order to sustain your living tends to be the exception rather than the rule in the Australian workplace. If it is the case in the work force that that compulsion has disappeared, isn’t the argument against compulsory student unionism within universities, within places of learning where students acquire the qualifications they need to enter the workplace, even stronger? Of course it is. Compulsory student unionism in this country must end because it is an affront to the concept of choice, it is an affront to the concept of freedom of association and it has contributed very significantly to the decline in the quality of student services.

Senators opposite seem to think that it is quite all right to argue for compulsion without it existing elsewhere in the community, but they forget that what that produces is a situation where student organisations do not have to appeal to the loyalty of their membership to be able to produce high-quality services. They get the fees that run those organisations whether the organisations are efficient, well run and providing high-quality services or not. The sad fact is that very often those organisations are not. Very often those organisations are inefficient, they waste large amounts of student money, they provide poor services and students walk away from them if they can.

That is the evidence on campuses across this country. You yourselves know that that is the case, because you know that the moment voluntary student unionism is enacted in this country thousands upon thousands of students will walk away from unions. Do not forget that this government is not outlawing the idea of belonging to a student union. It is not saying it is against the law to form or belong to student unions. People are perfectly free to associate in that way on university campuses under the legislation this government is sponsoring. But you in the Australian Labor Party know as well as I do that when students are no longer required to belong to one of those unions in order to obtain a degree at an Australian university in the vast majority of cases in the present circumstances they will walk away from those unions. Why will they do that? Because they recognise that they provide extremely poor value for money.

In my opinion, that is the most serious crime student unions have committed: they have failed to satisfy the needs of their members. They have lost sight of the need to service their members. I believe, moreover, that this reform will generate an understanding on the part of many student unions that they have to lift their game if they are to have any chance whatsoever of being able to attract students back to them in the future.

Compulsory unionism is an anachronism. It plays no role in contemporary Australian society, it ought not to be a feature of work-
places in this country and it certainly should not be a feature in our society of the environment where students obtain their qualifications to enter the work force in the first place. Senators opposite know that fact. They know that members are going to desert those unions in droves when they have the opportunity. That is the best possible reason why they should be given the freedom to decide for themselves whether they wish to belong to those unions or not.

Senator WONG (South Australia) (3.24 pm)—It is wonderful that Senator Humphries has come here today and confessed exactly why he is so supportive of the issue: it is because he did not win this agenda in 1982 so he has to come into the Senate in 2005 and win it now, now that the government have got their hands on the levers of power. It is really interesting, isn’t it? This is from 1982 to 2005—I was still at school in 1982 and there might be a few people listening who were; it is hardly what you would call a cutting edge agenda. It is hardly what you would call a current agenda to face some of the crises such as the skills crisis that has developed under this government or to deal with issues that are important to families in Australia such as ensuring their take-home pay, penalty rates and overtime are preserved and that work and family issues can actually be dealt with.

From Senator Humphries and also today in question time from Senator Ellison we heard the same ideological agenda, the same obsession with old battles that they could not win at university. The problem is, for them, that people are not convinced by their argument. Not only are their constituencies not convinced that this is a good idea—and of course I do not talk about some Liberal Party backbenchers; I talk about constituencies that actually elect you—but your coalition party, the National Party, are not convinced either.

I congratulate the National Party on this, because unlike some of the people opposite who are simply obsessed with this old agenda, The Nationals have understood: ‘This might actually be a problem for student services in this country, particularly in some of the areas we represent.’ What has been played out in the papers is an unedifying debacle and an unedifying example of the way this government is divided over the fact that a number of Liberal Party frontbenchers and backbenchers are putting an old, obsessed, ideological agenda on the issue of voluntary student unionism and a number of National Party senators and MPs are saying, ‘Well, actually, this might be a problem.’

What we have seen, for example, are three state conferences of the National Party passing resolutions saying they would only support the ban on student unionism if there were a different mechanism with comparable levels of funding to existing fees—in other words, subsidising—so that the student services which are currently paid for by student union fees can actually continue on campuses. We have also seen Hendy Cowan—who would be known to Senator Boswell, who is in the chamber—former leader of the WA National Party and Deputy Premier between 1993 and 2001, who happens also to be the Chancellor of Edith Cowan University, writing to Senator Eggleston urging him ‘to consider the need for a “compulsory amenities and services fee” as the bill is debated by the Senate’. He also wrote that the removal of collectively funded services would ‘hit students hard, particularly those from economically disadvantaged backgrounds’. We have seen similar comments by state National Party members such as Peter Hall, leader of The Nationals in Victoria’s Legislative Council. The Nationals MP Fiona Nash also indicated publicly:

Our job is to make sure that regional universities aren’t disadvantaged by these changes ...
They are very important contributions. What they reflect is the growing realisation amongst the National Party and hopefully some of the Liberal Party of the effect of these changes, that what they will actually do is undercut student services. But have the government—the government that Senator Ian Macdonald said today are a government that consults—been listening to this, perhaps tempering some of their old obsessions with the reality of what is coming into their offices, the feedback from their coalition party members and also from their constituencies? What have we had from them? Senator Fifield is reported as heaping scorn on the idea of special grants for regional universities. According to the Melbourne Age:

Senator Fifield said the compromise plan to separate a compulsory services fee from political activity was “a con and sham”. This is what the National Party is suggesting to ameliorate some of the problems with the Liberals’ obsessive agenda and ideological crusade against the word ‘union’ in student unions. This is what he says it is: a con and a sham.

In the very short time remaining for me to speak, I will finish with a point about what this really means. Flinders University in my home state of South Australia has subsidised child care. It is subsidised by the student union, by student services, in order to ensure that parents who attend university can attend classes. It is a fantastic measure. It is a measure that will be under threat if you take the subsidy out of this. If you start to say that student unions are to be made voluntary, people will not have the opportunity to have these services. What you are actually talking about in your agenda against the word ‘union’ in this debate is removing services such as the subsidised child care that people at Flinders University in South Australia—

(Time expired)
I think that is a very condescending comment, and I think the attitude to students of senators opposite is very condescending: that students lack the capacity to make the decision for themselves. The answer that is sometimes put up is the legislation in Western Australia and Victoria, which allows students to opt out of unions. Sounds like a good idea—the only problem is that if you opt out of the union you still have to pay the same fee as though you joined the union. When Senator Wong was referring to me earlier and talking about ‘a con and a sham’, that is what I was referring to: the legislation in Victoria and Western Australia. That legislation in those two states is a con and a sham. No, you do not have to join the union, but you still have to pay the same fee, as if you did, and that money still goes to the union. That is a con and a sham. That is not freedom of association; that is just a technical out. It is not a real out; it is not a real choice.

It is extremely interesting that the National Union of Students, the Gallop government and even Ms Macklin in the other place support this concept of a limited amenities and services fee. It is pretty clear why that is. You only have to look at the National Union of Students’ electoral return for the last federal election to see why. It is because you cannot quarantine money. It does not matter what is on paper, the money is fungible. The money ends up being used for a purpose other than that for which it was intended. The National Union of Students spent $250,000 of the money compulsorily acquired from Australian university students in a partisan political campaign to put the coalition last. That is why the National Union of Students, the Gallop government and the senators opposite want to maintain the status quo or, at the very least, have a limited amenities fee. They know where that money will end up. That money will end up in partisan campaigns, being used against the wishes of students. Students are not consulted. Students do not have a say as to whether that money is used on political campaigns but, sure enough, that is where that money ends up.

On the issue of rural campuses: despite repeated questioning at the hearings, the transcripts—which are available—show that witnesses were unable to substantiate the claim that regional universities would be affected in any way materially different to metropolitan universities.

**Senator Lundy**—That is not true!

**Senator George Campbell**—That is rubbish!

**Senator Lundy**—Mr Deputy President, on a point of order: I think the senator is technically misleading the Senate. We cannot discuss the report in detail as it has not yet been tabled, but I take great exception to him reflecting on the evidence that we received in that committee inquiry in the way that he has, because I believe it to be untrue.

**The DEPUTY PRESIDENT**—Senator Lundy, I hear what you say but I do not believe that is a point of order.

**Senator Fifield**—There were assertions but there was no hard evidence to substantiate that claim. Senators opposite were asking in question time if a fund will be used to compensate differently in regional areas and metropolitan areas. The simple answer is: there is no fund, so I am not quite sure what they are talking about. On the tax analogy that is often put forward: I do not accept that universities and student unions are some fourth tier of government—(Time expired)

**Senator Lundy** (Australian Capital Territory) (3.35 pm)—I am very pleased I have this opportunity to respond to Senator Fifield and other comments, because I have never heard a more outrageous set of claims than I have just heard. There are a couple of issues
at stake here. The Howard government is relying on two central arguments to support its voluntary student unionism legislation: (1) freedom of association and (2) that you cannot quarantine the funds from political campaigns. We can deal with this second argument by virtue of the fact that Labor have now put forward an amendment that says we believe a compromise—and the way forward—is to provide for a compulsory fee for specific activities relating to student services. That should resolve, once and for all, any argument the government tries to present that there will be funds directed towards political campaigning. There is no base for that argument because there is now a political solution. The coalition senators know that; the National Party senators know that; the Democrats senators know that; the Independents know that; the Greens know that; and of course Labor know it because we are putting it forward.

The other argument regarding freedom of association is pure ideology, and we clearly heard more today than perhaps at any other time from Senator Kemp and Senator Ellison that it is all about ideology. That is the motivation here. This freedom of association is really about what they felt when they were at university when they did not win those elections and they spent their whole campaign focusing on the idea of getting rid of voluntary student unionism, because they could never get control—so much so, I understand, that Liberal student activists were directly consulted in the drafting of this legislation. It is a matter of public record that no less than a Victorian convener of the Liberal Students Association, their president and perhaps a few others were called to Canberra to help the Howard government draft this piece of ideological claptrap. They were called here because that is still part of the Young Liberal mindset and it is what motivates student activists on campus.

What a glorious day it is for all these excitable chaps on the other side of the chamber who lived through this campaign in the seventies and eighties and who like nothing more than to come and get their just desserts on the floor of this place now that they have managed to win a majority in the Senate. How indulgent and how divisive of their own side, when everyone else behind these ideologues who are championing this campaign is sitting back and saying: ‘Actually, it will wreck university sport in my area and it will undermine the local gym that the community uses, and we won’t be able to have child care at the regional university anymore. My son or daughter might not be able to go to that university now, because I’m not confident as a parent that it will be safe and that there will be sufficient social services to sustain a quality existence.’ That is the practical reality of what is going on here, and this is what those coalition senators who are supporting VSU do not understand. There is a practical problem with the legislation—that is, it will seriously undermine the quality of life on campus for not only students but broader communities, particularly in regional areas and also in outer metropolitan areas of Australia and indeed on city campuses.

The way that university life is integrated with society more generally and the benefits for participants and students of those universities are inextricable from what student services fees are spent on. If you take away the revenue stream from a compulsory student service fee, a whole raft of things fall over that go to social cohesion, the whole social environment and the structure of universities and their very important and very practical facilities.

I am the shadow minister for sport, so of course I am going to put an emphasis on this issue, but you cannot take away the very business case that underpins the practical experience of facilities and services on a uni-
versity campus on the basis of the pathetic, indulgent and ideological argument purported by a few Liberal ex-university students at the behest of a recent incarnation campaign by virtue of the fact that the coalition have a majority in the Senate. How indulgent and how disgraceful! It is not surprising that they are split asunder on this issue. Half the coalition senators know that this legislation will practically destroy services—(Time expired)

Senator STOTT DESPOJA (South Australia) (3.40 pm)—First of all, I thank my colleague Senator Bartlett for giving up his time in this debate. I was not expecting that we would be speaking on this issue. As some honourable colleagues have mentioned, some outrageous claims have been made in this place today that cannot go without rebuttal. Today is a national day of action on so-called voluntary student unionism. I say ‘so-called’ because there is nothing about voluntarism or freedom of association inherent in these proposals or even in the legislation that has been put forward by the government. This is about emasculating student services, amenities, representations and advocacy—all the things that are vital parts of campus life and that are provided to students today by virtue of the payment of a universal services fee.

As has been pointed out by Senator Lundy and others, this matter is about an ideological obsession. It may be about settling old scores—I do not know. I do not particularly care whether it is about some politicians or former student politicians, and I acknowledge that I am a former student representative. It is not about the baggage that some of us may or may not carry; it is about suppressing dissent. I think the real ideological agenda here is: ‘We don’t like the idea that some people may vehemently disagree with the policies of this government, so let’s get rid of their funding’—as in the case of NGOs and other representative peak bodies that have been defunded under this government. They say: ‘Let’s take away the universal services fee from universities that students pay themselves. Let’s remove the prop of some students, particularly disadvantaged students and poorer students’—not to mention students from areas such as regional, remote or rural campuses—‘let’s take away the vital services that give them a university experience.’ I say ‘university experience’ because I am sick and tired of this chamber passing legislation that has as its very subtext an anti-intellectualism.

These days we view university degrees as a commodity. Students come in and out on conveyor belts. They are not given time to participate in other aspects—the lifeblood—that are a university experience. We are told: ‘No, we don’t want them involved in student radio or newspapers. They’re bad. Student representation—we don’t need it. Political organisations—they’re just wrong.’ What about advocacy and representation, things that students would not necessarily be able to afford themselves?

The Senate Employment, Workplace Relations and Education Legislation Committee heard evidence—and I will not reflect on the committee’s deliberations—but we know that students cannot afford to bring a lawyer to a hearing when they face some kind of difficulty or if they are being challenged with respect to their studies or their marks. What about child care? People keep saying, ‘We can get private companies to come onto campuses and provide other services that might assist students in their studies.’ Subsidised child care and catering are often things that cannot be run at a profit—not necessarily at a profit and not necessarily at cost. That is where student organisations, student unions, guilds or associations provide vital services, particularly for those traditionally disadvantaged students. But when did we
stop thinking about universities as a holistic experience? What is so wrong with thinking about an academic aspect of university life as well as about broadening your horizons from a social, political, religious or artistic perspective? That is what the great institutions of not just this nation but the world are founded on.

That is why you will find the Oxbridge models. You will not find Cambridge and Oxford implementing this kind of change. I recall asking people about this. I think we are the only country in the world doing this. Once again, Australia is coming up with a wonderful first—a unique position. Australia is going to be one of the first places in the democratic world to singlehandedly destroy the tradition of university life. I think that is shameful, and I am glad to see that there are some backbenchers, and some National Party members in particular, who are concerned about this, not just because of the loss of sporting services—as important and integral as they are, not only to universities but to the entire community—and not just because of the job losses but because of what it means to the very definition of university life.

If the minister is happy to preside over that, good luck to him, but some of us will go to the barricades opposing it. I believe Senator Ellison said in question time today: ‘We are going to remove student funds. They can raise their own funds in order to fight governments.’ You watch—they will, and they will be a force to be reckoned with, as opposed to the kind of peaceful and civic demonstrations and protests we see from students now. Wait and see what happens in the future. But it is not about that; it is about vital services. (Time expired)

Question agreed to.

PETITIONS

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

Information Technology: Internet Content
To the Honourable the President and Members of the Senate in Parliament assembled

We, the undersigned citizens of Australia draw to the attention of the Senate the common incidence of children being exposed to Internet websites portraying explicit sexual images. These images may involve children/teens, sexual violence, bestiality, and other disturbing material. Many such websites use aggressive, deceptive or intrusive techniques to induce viewing. We submit to the Senate that:

- Exposure to pornography is a form of sexual assault against children and should be considered, like all sexual abuse of children, as a serious matter causing lasting harm.
- It is not adequate to charge individual parents with the chief responsibility for protecting their children from Internet pornographers determined to promote their product, OR to expect parents to teach children to cope with the damaging effects of pornographic images AFTER exposure.
- It is the primary duty of community and Government to prevent children being exposed to pornography in the first place by placing restrictions on pornographers and those businesses distributing such material.
- Internet Service Providers (ISPs), should accept responsibility for protecting children from Internet pornography, including liability for harm caused to children by inadequate efforts to protect minors from exposure.

Your petitioners therefore, pray that the Senate take legislative action to restrict children’s exposure to Internet pornography. We support the introduction of mandatory filtering of pornographic content by ISPs and age verification technology to restrict minor’s access.

by The President (from 22 citizens).

Defence: Involvement in Overseas Conflict Legislation
To the Honourable the President and Members of the Senate in Parliament assembled.

The Petition of the undersigned calls on the members of the Senate to support the Defence
Amendment (Parliamentary Approval for Australian Involvement in Overseas conflict) Bill introduced by the Leader of the Australian Democrats, Senator Andrew Bartlett and the Democrats’ Foreign Affairs spokesperson, Senator Natasha Stott Despoja.

Presently, the Prime Minister, through a Cabinet decision and the authority of the Defence Act, has the power to send Australian troops to an overseas conflict without the support of the United Nations, the Australian Parliament or the Australian people.

The Howard Government has been the first Government in our history to go to war without majority Parliament support. It is time to take the decision to commit troops to overseas conflict out of the hands of the Prime Minister and Cabinet, and place it with the Parliament.

by Senator Bartlett (from 270 citizens).

Anti-Vehicle Mines

To the Honourable the President and members of the Senate in Parliament assembled

The Petition of the undersigned shows:

That the undersigned note that like anti-personnel landmines, anti-vehicle mines are indiscriminate in who they effect, that they disproportionately kill and maim civilians, they delay relief efforts in war affected countries and they go on killing for decades after the conflict has ended. We note that Australia’s existing stock of anti-vehicle mines is obsolete and only used for training purposes, so now is the perfect time to commit to supporting a ban on these indiscriminate weapons. We welcome the Australian Government’s support for further restrictions on the use of anti-vehicle mines, but believe such measures to be inadequate to address the humanitarian problems caused by anti-vehicle mines.

Your Petitioners ask that the Senate should:

Legislate a ban on the production, transfer, importation and use of anti-vehicle mines globally.

by Senator Carr (from 868 citizens).

Workplace Relations

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

The petition of the undersigned Postal and Telecommunications workers draws to the attention of the Senate the impact of the proposed changes to industrial relations legislation that will have on them and their families. The changes include:

- Removing long standing employment conditions and entitlements from awards; Abolishing redundancy entitlements
- Removing unfair dismissal protection for 4 million working Australians;
- Replacing collective agreements with individual workplace contracts (AWA’s);
- Reducing the power of the independent Australian Industrial Relations Commission including the removal of their current role to review minimum wages;
- Limiting the role of Unions in the workplace and restricting workers access to union representation.

Your petitioners ask that the Senate reject any changes to industrial relations legislation which will make working Australians and their families worse off.

by Senator Hutchins (from 2,552 citizens).

Petitions received.

NOTICES

Presentation

Senator Kemp (Victoria—Minister for the Arts and Sport) (3.46 pm)—I give notice that, on Tuesday, 16 August 2005, I shall move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the Customs Amendment (Extension of Import Cut-over Time) Bill 2005, allowing it to be considered during this period of sittings.
I also table a statement of reasons justifying the need for this bill to be considered during these sittings and seek leave to have the statement incorporated in *Hansard*.

Leave granted.

*The statement read as follows—*

The amendments relating to the importation of goods into Australia and the arrival of ships and aircraft in Australia contained in the Customs Legislation Amendment and Repeal (International Trade Modernisation) Act 2001 (the ITM Act) are proposed to be proclaimed to commence on 19 July 2005. This is the last possible day on which these amendments can commence. These amendments will, in part, require electronic reports (eg import entries, cargo reports etc) to be sent to Customs using the new Integrated Cargo System (the ICS).

Under section 5 of the Customs Legislation Amendment (Application of International Trade Modernisation and Other Measures) Act 2004, the Chief Executive Officer of Customs (the CEO) must specify an import cut-over time before 19 July 2005. Section 5 also provides that the latest possible time that the CEO can specify as import cut-over time is 28 August 2005. Ships and aircraft and related cargo that arrive in Australia for the first time on or after the import cut-over time are subject to the amendments in the ITM Act, including the requirement to use the ICS to report electronically to Customs.

In order to allow communicators (eg importers, cargo reporters, etc) the greatest amount of time to prepare the necessary systems, it is expected that the CEO will specify 28 August 2005 to be the import cut-over time. However, at this stage it is a strongly held view by the importing community and their agents that they will not have the systems in place in time to communicate using the ICS in relation to ships and aircraft (or goods on board them) arriving on or after 28 August 2005. This situation would result in severe disruption at all major ports and airports that deal with import cargo as well as having a major impact on Australian business and manufacturing dependent on imports.

In line with the media release on 24 May 2005, the Minister for Justice and Customs announced the government’s intention to consult with industry during June 2005, and if more time were needed, to introduce a bill during the Spring Sittings to extend the transition period. This bill gives the CEO the power to specify another later import cut-over time in order to allow communicators additional time to prepare and test their electronic systems.

**Reasons for Urgency**

The proposed amendments must be made before 28 August 2005—that is, during the first two weeks of Spring Sittings. If the amendments are not made before 28 August 2005, communicators will be required to communicate with the ICS but will not have the systems in place to do so. This will mean that the clearance of imported goods will be delayed and in some circumstances the importers, cargo reporters etc will commit offences under the Customs Act 1901.

(Circulated by authority of the Minister for Justice and Customs)

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

That the Senate—

(a) congratulates the National Aeronautics and Space Administration and the Discovery crew on their successful mission which involved the resupply of, and maintenance on, the International Space Station; and

(b) commends the Discovery crew, astronauts Commander Eileen Collins, Charles Camarda, Wendy Lawrence, Steven Robinson, Soichi Noguchi, James Kelly and South Australian-born Andrew Thomas, on their safe launch into space on 26 July 2005 and return on 9 August 2005.

**Senator Brown** to move on the next day of sitting:

(1) That so much of standing orders be suspended as would prevent this resolution having effect.

(2) That the Truth in Food Labelling Bill 2003 be restored to the *Notice Paper* and that consideration of the bill be resumed at
the stage reached in the last session of the Parliament.

Senator Bartlett to move on Wednesday, 17 August 2005:


Senator Nettle to move on the next day of sitting:

That the Senate—

(a) notes that 126 members of the Iraqi Parliament have signed on to the following statement:

As the National Assembly is the legitimate representative of the Iraqi people and the guardian of its interests, and as the voice of the people, especially with regard to repeated demands for the departure of the occupation, we note that these demands have earlier been made in more than one session but have blatantly been ignored from the Chair. Worse still is the Government’s request to the UN Security Council to extend the presence of the occupation forces, made without consultation with the people’s representative in the National Assembly who hold the right to make such fateful decisions.

In line with our historic responsibility, we reject the legitimation of the occupation and we repeat our demand for the departure of the occupation forces, especially since our national forces have been able to break the back of terrorism and to notably establish its presence in the Iraqi street and to recover the state’s dignity and the citizen’s trust in the security forces leading to the noble objectives in an Iraq whose sovereignty is not embellished; and

(b) calls on the Government to bring Australia’s troops home from Iraq.

COMMITTEES

Selection of Bills Committee
Report

Senator FERRIS (South Australia) (3.49 p.m.)—I present the seventh report of 2005 of the Selection of Bills Committee.

Ordered that the report be adopted.

Senator FERRIS—I seek leave to have the report incorporated in Hansard.

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE

REPORT NO. 7 OF 2005

1. The committee met in private session on Tuesday, 9 August 2005 at 6.48 pm.

2. The committee resolved to recommend—

That—

(a) the Civil Aviation Legislation Amendment (Mutual Recognition with New Zealand) Bill 2005 be referred immediately to the Rural and Regional Affairs and Transport Legislation Committee for inquiry and report by 5 September 2005 (see appendix 1 for statement of reasons for referral);

(b) the provisions of the Health Insurance Amendment (Medicare Safety-nets) Bill 2005 be referred immediately to the Community Affairs Legislation Committee for inquiry and report by 5 September 2005 (see appendix 2 for statement of reasons for referral);

(c) the provisions of the Higher Education Legislation Amendment (Workplace Relations Requirements) Bill 2005 be referred immediately to the Employment, Workplace Relations and Education Legislation Committee for inquiry and report by 10 October 2005 (see appendix 3 for statement of reasons for referral); and

(d) the Maritime Transport and Offshore Facilities Security Amendment (Maritime Security Guards and Other Measures) Bill 2005 be referred immediately...
to the Rural and Regional Affairs and Transport Legislation Committee for inquiry and report by 5 September 2005 (see appendix 4 for statement of reasons for referral).

3. The committee resolved to recommend—
That the following bills not be referred to committees:
- Acts Interpretation Amendment (Legislative Instruments) Bill 2005
- Arts Legislation Amendment (Maritime Museum and Film, Television and Radio School) Bill 2005
- Broadcasting Legislation Amendment Bill (No. 1) 2005
- Customs Tariff Amendment Bill (No. 2) 2005
- Health Insurance Amendment (Medical Specialists) Bill 2005
- Higher Education Legislation Amendment (2005 Measures No. 3) Bill 2005
- Human Services Legislation Amendment Bill 2005
- Maritime Legislation Amendment Bill 2005
- National Residue Survey (Customs) Levy Amendment Bill 2005
- National Residue Survey (Excise) Levy Amendment Bill 2005
- Occupational Health and Safety (Commonwealth Employment) Amendment Bill 2005
- Offshore Petroleum Bill 2005
- Offshore Petroleum (Annual Fees) Bill 2005
- Offshore Petroleum (Registration Fees) Bill 2005
- Offshore Petroleum (Repeals and Consequential Amendments) Bill 2005
- Offshore Petroleum (Royalty) Bill 2005
- Offshore Petroleum (Safety Levies) Amendment Bill 2005
- Taxation Laws Amendment (Scholarships) Bill 2005
- Tax Laws Amendment (2005 Measures No. 4) Bill 2005
- Telecommunications and Other Legislation Amendment (Protection of Submarine Cables and Other Measures) Bill 2005
- Transparent Advertising and Notification of Pregnancy Counselling Services Bill 2005.

The committee recommends accordingly.

4. The committee deferred consideration of the following bills to the next meeting:
Bill deferred from meeting of 8 February 2005
Bills deferred from meeting of 9 August 2005
- Corporations (Aboriginal and Torres Strait Islander) Bill 2005.
- Superannuation Legislation Amendment (Superannuation Safety and Other Measures) Bill 2005.

(Jeannie Ferris)
Chair
10 August 2005
Appendix 1
Proposal to refer a bill to a committee
Name of bill(s):
Civil Aviation Legislation Amendment (Mutual Recognition with New Zealand) Bill 2005
Reasons for referral/principal issues for consideration
Key concerns of the committee raised during its consideration of the Civil Aviation Legislation Amendment (Mutual Recognition with New Zealand and Other Matters) Bill 2003 have not been addressed, including whether mutual recognition will degrade passenger safety by reducing crew/passenger ratios and precluding air security officers from travelling on Australian services operating under a New Zealand air operator’s certificate.
Possible submissions or evidence from:
DOTARS. Flight Attendants Association of Australia (International Division), Flight Attendants Association of Australia (Domestic/Regional Division), Qantas, Virgin Blue, CAANZ, Australian Federation of Air Pilots, Australian and International Pilots Association.

Committee to which bill is referred:
Rural and Regional Affairs and Transport Legislation Committee

Possible hearing date: 8 September 2005
Possible reporting date(s): 15 September 2005
Whip/Selection of Bills Committee Member

Appendix 2
Proposal to refer a bill to a committee
Name of bill(s):
Health Insurance Amendment (Medicare Safety-nets) Bill 2005

Reasons for referral/principal issues for consideration
To examine the provisions of the bill relating to increases in the Medicare safety net thresholds to ascertain how many Australian individuals and families will face higher out of pocket medical expenses as a result of the increased thresholds, the extent of the higher out of pocket expenses experienced by these individuals and families and the implications for access and equity in health-care for all Australians.

Possible submissions or evidence from:
Australian Consumers Association
Doctors Reform Society
Australian Divisions of General Practice
Health Issues Centre
Catholic Health Australia Anglicare
Australian Council of Social Services
Australian Medical Association Public Health Association of Australia
Professor Stephen Duckett, Professor of Health Policy, Dean of the Faculty of Health Sciences
Professor John Deeble
Professor Stephen Leeder

Committee to which bill is referred:
Community Affairs Legislation Committee

Possible hearing date:
Possible reporting date(s): 5 September 2005
Whip/Selection of Bills Committee Member

Appendix 3
Proposal to refer a bill to a committee
Name of bill(s):
Higher Education Legislation Amendment (Workplace Relations Requirements) Bill 2005

Reasons for referral/principal issues for consideration
The bill raises profound issues regarding the IR treatment of higher education staff—treatment beyond that which applies to the workforce generally. The provisions of the bill appear inconsistent with some of our obligations under ILO convention. The competitiveness of Australia’s education sector is also at risk if this bill becomes law.

Possible submissions or evidence from:
Major peak organisations in both the higher education, VET sectors, international education organisations, state governments and others

Committee to which bill is referred:
Employment, Workplace Relations, and Education Legislation Committee

Possible hearing date: late August 2005—mid October 2005
Possible reporting date(s): by late 2005
Whip/Selection of Bills Committee Member

Appendix 4
Proposal to refer a bill to a committee
Name of bill(s):
Maritime Transport and Offshore Facilities Security Amendment (Maritime Security Guards and Other Measures) Bill 2005

Reasons for referral/principal issues for consideration
1. Whether maritime security guards should need higher training qualifications as a result of the increased powers they receive in the bill.
2. The regulations should clearly specify the reasons why a person with a MSIC could be denied access to a maritime security zone.

3. If a maritime security guard is working on an offshore facility in Commonwealth waters, there may be a question concerning which state or territory licence the guard must hold.

4. The details of the removal, storage and disposal of vehicles and vessels.

5. Clarification should be sought about that classes of persons to be exempted from providing reasons for being in a maritime security zone.

Possible submissions or evidence from:
Maritime Union of Australia, Australian Institute of Marine Power Engineers, Department of Transport, P&O, Patricks, LHMU

Committee to which bill is referred:
Rural and Regional Affairs and Transport Legislation Committee

Possible hearing date: 8 September 2005
Possible reporting date(s): 15 September 2005

NOTICES
Postponement

The following items of business were postponed:

General business notice of motion no. 196 standing in the name of the Leader of the Australian Democrats (Senator Allison) for today, relating to nuclear weapons, postponed till 11 August 2005.

General business notice of motion no. 197 standing in the name of Senator Stott Despoja for today, relating to the Burmese military regime and Daw Aung San Suu Kyi, postponed till 11 August 2005.

CONDOLENCES: MS AMY GILLETT

Senator KEMP (Victoria—Minister for the Arts and Sport) (3.50 pm)—In conjunction with Senator Lundy—and I understand that Senator Fielding, the Australian Democrats and the Australian Greens also wish to be associated with this motion—I move:

That the Senate—

(a) conveys its deepest sympathies to the family and friends of Amy Gillett, Australian cyclist, who died tragically in a road accident in Germany while training with the Australian Road Cycling Team on 18 July 2005;

(b) records its very best wishes for a full recovery to Amy’s team mates who were also involved in the accident, Louise Yaxley, Alexis Rhodes, Kate Nichols, Lorian Graham and Katie Brown; and

(c) records its thanks to the Australian Ambassador to Germany and staff, the Australian Sports Commission, the Australian Institute of Sport and Cycling Australia for their support provided to family and friends of the cyclists involved in the accident and to the surviving cyclists.

I seek leave to make a short statement.

Leave granted.

Senator KEMP—All Australians were shocked and saddened to hear of the tragic death of Australian road cyclist Amy Gillett and the injuries to five of her colleagues in a terrible accident in Germany on 18 July. The cyclists were members of the Australian women’s road cycling team and they were on a training ride near the town of Zeulenroda in southern Germany when a car went out of control and collided with the riders. As senators are aware, one of Australia’s most talented young athletes, Amy Gillett, formerly Amy Safe, died at the scene of the accident, and five others—Louise Yaxley, Alexis Rhodes, Lorian Graham, Katie Brown and Kate Nichols—received injuries ranging from severe to relatively minor.

Amy was a role model for many of the younger cyclists who rode with her. Before turning to cycling, she was a champion rower who represented Australia in that sport at the 1996 Atlanta Olympics, and she had high hopes of winning a medal for Australia at the upcoming Commonwealth Games. I would like to offer the government’s condo-
ences to Amy’s husband, Simon Gillett; her parents, Denis and Mary Safe; her sister, Georgina; and other family members and friends. Her loss is a loss for Australian sport and indeed all Australians.

I can report, however, that the five injured cyclists are making steady recoveries. Three of them, Katie Brown, Kate Nichols and Lorian Graham, are now back in Australia and continuing their recovery. The two others, Louise Yaxley and Alexis Rhodes, are still under the excellent care of the doctors at the University Clinic in Jena, where their progress is being monitored and assisted by Ruth Anderson, the residential counsellor at the AIS, who flew immediately to Germany to assist with the rehabilitation.

Within an hour of the accident, the Australian Embassy in Berlin, led by Ambassador Pamela Fayle and Senior Consular Officer David Poulter, were on their way to the scene. Within a few hours, the Australian Sports Commission and the AIS had two senior staff—psychologist, Rose Stanomirovic, who was holidaying in Europe, and cycling head coach, Shayne Bannan, who is based in Italy—on the way to Germany. They were followed by the Director of the AIS, Professor Peter Fricker—one of the world’s leading sports physicians—the Chairman of the Sports Commission, Mr Peter Bartels, and the AIS residential counsellor, Ruth Anderson.

I would particularly like to thank Peter Bartels for his efforts in helping to coordinate the support on the ground. I would also like to record my thanks to cycling coach Warren McDonald, the team’s technical manager, Greg Borrer, and Cycling Australia for their support. To all these people, as well as the staff at the ASC and the AIS, led by Mark Peters, I offer my congratulations for their quick, effective and sympathetic response to one of the greatest tragedies to strike an Australian sporting team competing overseas.

The response of the Australian public has been overwhelming, with thousands of messages of condolence and support sent to cyclists and their families through the channels of the ASC and Cycling Australia. I would also like to extend the thanks of the Senate and the Australian government to the German authorities for their help and invaluable support. I thank the medical and nursing staff at the hospitals that first received our cyclists after the accident and, in particular, the excellent physicians and other staff at the University Clinic in Jena.

I wish all the cyclists a speedy recovery and again thank team Australia for the timely and effective support that swung into action when the tragedy occurred.

Senator LUNDY (Australian Capital Territory) (3.55 pm)—by leave—It is with a heavy heart that I join with my parliamentary colleague Senator Kemp in offering our condolences to the family of Amy Gillett. On behalf of the Australian Labor Party, I wish to convey our condolences to Denis and Mary Safe, Amy’s sister, Georgina, and Amy’s husband, Simon Gillett, on the very sad death of Amy. Amy was an amazing athlete, excelling at an international level both in rowing and, most recently, in cycling. She was hugely respected and loved in both the rowing and cycling worlds and will be missed by many throughout Australia.

Amy’s funeral in Ballarat was extraordinarily well attended. The final blessing, which was read by Monsignor Nolan at the funeral, was:

May the road rise to meet us;
May the wind be always at our back;
May the sun shine warm upon our face,
The rain fall soft upon our fields
And until we meet again, May God hold us in the palm of his hand.

Following this blessing, an arch was formed by rowers and cyclists for their final good-bye.

I also offer our support to coach Warren McDonald, who was with the team at the time of the accident. Wazza is a much loved and respected figure in cycling in Australia and particularly here in the ACT. Our thoughts are also with Amy’s team-mates, who sustained serious injuries in the accident. To Louise, Alexis, Kate, Lorian and Katie: I am sure that you will display the same fighting spirit you have become renowned for in your racing.

Like the Minister for the Arts and Sport, the Labor opposition acknowledges the fantastic response from the Australian Sports Commission, the AIS, Cycling Australia, the Australian Ambassador in Germany and of course the medical team that continues to care for the injured athletes. I think they all went beyond the call of duty and I know their support was much appreciated.

Question agreed to.

COMMITTEES

Finance and Public Administration References Committee

Meeting

Senator FORSHAW (New South Wales) (3.57 pm)—I move:

That the Finance and Public Administration References Committee be authorised to hold public meetings during the sitting of the Senate on the following days:

(a) Thursday, 11 August 2005, from 3.30 pm, to take evidence for the committee’s inquiry into the Regional Partnerships program; and

(b) Thursday, 18 August 2005, from 4 pm to 7 pm, to take evidence for the committee’s inquiry into government advertising.

Question agreed to.

MR DAVID HICKS

Senator BROWN (Tasmania) (3.58 pm)—I move:

That the Senate calls on the Government of the United States of America to immediately return Australian citizen, Mr David Hicks, to Australia.

Question put.

The Senate divided. [4.02 pm]

(The President—Senator the Hon. Paul Calvert)

Ayes.............. 8

Noes.............. 53

Majority......... 45

AYES

Allison, L.F. Bartlett, A.J.J.
Brown, B.J. Milne, C.
Murray, A.J.M. Nettle, K.
Siewert, R. * Stott Despoja, N.

NOES

Abetz, E. Adams, J.
Barnett, G. Boswell, R.L.D.
Brandis, G.H. Calvert, P.H.
Campbell, G. Chapman, H.G.P.
Carr, K.J. Coonan, H.L.
Colbeck, R. Crossin, P.M.
Kirk, L. Ellisson, C.M.
Ferris, J.M. * Ferguson, A.B.
Fifield, M.P. Fierravanti-Wells, C.
Hill, R.M. Heffernan, W.
Hurley, A. Humphries, G.
Joyce, B. Johnston, D.
Lightfoot, P.R. Kemp, C.R.
Ludwig, J.W. Lundy, K.A.
Macdonald, I. Macdonald, J.A.L.
Mason, B.J. McEwen, A.
McGauran, J.J.J. McLucas, J.E.
Minchin, N.H. Moore, C.
Nash, F. Parry, S.
Patterson, K.C. Payne, M.A.
Polley, H. Ronaldson, M.
Santoro, S. Scullion, N.G.
Stephens, U. Sterle, G.
Trosth, J.M. Trood, R.
Watson, J.O.W. Webber, R.
Wortley, D.
96 SENA TE Wednesday, 10 August 2005

* denotes teller

TARKINE WILDERNESS
Senator BROWN (Tasmania) (4.06 pm)—I move:

That the Senate calls on the Government to investigate the potential for a World Heritage nomination for Tasmania’s Tarkine wilderness.

Question put.

The Senate divided. [4.11 pm]

(The President—Senator the Hon. Paul Calvert)

AYES
Bartlett, A.J.J.
Milne, C.
Siewert, R. *

NOES
Abetz, E.
Barnett, G.
Campbell, P.H.
Campbell, G.
Chapman, H.G.P.
Carr, K.J.
Coonan, H.L.
Colbeck, R.
Eggleston, A.
Ellison, C.M.
Evans, C.V.
Ferguson, A.B.
Ferris, J.M. *
Fierravanti-Wells, C.
Fifield, M.P.
Forshaw, M.G.
Humphries, G.
Johnston, D.
Joyce, B.
Kemp, C.R.
Kirk, L.
Lightfoot, P.R.
Ludwig, J.W.
Lundy, K.A.
Macdonald, I.
Mason, B.J.
McEwen, A.
McGauran, J.J.J.
McLucas, J.E.
McGowan, J.J.J.
Nash, F.
Parry, S.
Patterson, K.C.
Payne, M.A.
Polley, H.
Ray, R.F.
Ronaldson, M.
Santoro, S.
Scullion, N.G.
Sanctus, S.
Sterle, G.
Stephens, U.
Trood, R.
Trost, J.M.
Webber, R.
Watson, J.O.W.
Wortley, D.

* denotes teller

Question negatived.

COMMITTEES
Economics References Committee
Meeting

Senator FERRIS (South Australia) (4.14 pm)—On behalf 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 on Thursday, 11 August 2005, from 4 pm, to take evidence for the committee’s inquiry into the provisions of the Trade Practices Amendment (National Access Regime) Bill 2005.

Question agreed to.

Rural and Regional Affairs and Transport Legislation Committee
Extension of Time

Senator FERRIS (South Australia) (4.14 pm)—On behalf of the Chair of the Rural and Regional Affairs and Transport Legislation Committee, Senator Heffernan, I move:

That the time for the presentation of the report of the Rural and Regional Affairs and Transport Legislation Committee on the National Animal Welfare Bill 2005 be extended to the last sitting day in June 2006.

Question agreed to.

CUSTOMS AMENDMENT (EXTENSION OF IMPORT CUT-OVER TIME) BILL 2005
First Reading

Senator PATTERSON (Victoria—Minister for Family and Community Services and Minister Assisting the Prime Minister for Women’s Issues) (4.15 pm)—I move:

That the following bill be introduced: A Bill for an Act relating to the implementation of the imports phase of the Integrated Cargo System, and for related purposes.
Question agreed to.

Senator PATTERSON (Victoria—Minister for Family and Community Services and Minister Assisting the Prime Minister for Women’s Issues) (4.15 pm)—I move:

That this bill may proceed without formalities and be now read a first time.

Question agreed to.

Bill read a first time.

Second Reading

Senator PATTERSON (Victoria—Minister for Family and Community Services and Minister Assisting the Prime Minister for Women’s Issues) (4.15 pm)—I table the explanatory memorandum relating to the bill and move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

CUSTOMS AMENDMENT (EXTENSION OF IMPORT CUT-OVER TIME) BILL 2005

This bill provides for an extension to the transition phase of the imports component of Customs new Integrated Cargo System (ICS), a key component of the Cargo Management Reengineering (CMR) project.

The imports component of the ICS went live on 19 July 2005, however, under the Customs Legislation Amendment (Application of International Trade Modernisation and Other Measures) Act 2004, passed by Parliament in March 2004, users have no legal requirement to use the new system until just before cut-over time. The bill provides the legislative authority for cut-over to occur on 12 October 2005, to provide industry with the necessary time to introduce new systems software, train staff and adjust any business processes.

Consultation with industry in relation to the timing of cut-over has occurred. Industry representatives support the proposal to ensure that a world-class, well-tested and user-friendly system is delivered in a timely fashion.

As I outlined in my media releases on 24 May and 5 July, the Government decided to put forward a Bill to give effect to an extension, while maintaining the pressure on Customs and industry to implement the system.

As previously stated, this Bill recognises the need for a timely cut-over to the ICS and maintains the Government’s commitment that there would be a transition period to allow for business readiness.

With the exports component of the ICS successfully being rolled out in September/October 2004, this Bill now implements the final stage of the CMR project.

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

ADDRESS-IN-REPLY

Senator PATTERSON (Victoria—Minister for Family and Community Services and Minister Assisting the Prime Minister for Women’s Issues) (4.15 pm)—On behalf of Senator Hill, I move:

That—

(a) the address-in-reply be presented to His Excellency the Governor-General by the President and such senators as may desire to accompany him; and

(b) on Wednesday, 17 August 2005, the Senate adjourn at 5 pm, for the purpose of presenting the address-in-reply to the Governor-General.

Question agreed to.

BUSINESS

Rearrangement

Senator PATTERSON (Victoria—Minister for Family and Community Services and Minister Assisting the Prime Minister for Women’s Issues) (4.16 pm)—On behalf of Senator Hill, I move:

That the order of the Senate of 17 November 2004, relating to the days of meeting of the Sen-
ate in 2005, be modified to provide that the Sen-
ate not meet on Monday, 15 August 2005 to en-
able senators to fully participate in the 60th anni-
versary VP Day celebrations in their respective
states and territories.

Question agreed to.

COMMITTEES

Economics References Committee

Extension of Time

Senator STEPHENS (New South Wales) (4.16 pm)—I move:

That the time for the presentation of the report of the Economics References Committee on pos-
sible links between household debt, demand for
imported goods and Australia’s current account
deficit be extended to 6 October 2005.

Question agreed to.

HUMAN RIGHTS FOR INDIGENOUS
WEST PapuANS

Senator STOTT DESPOJA (South Aus-
tralia) (4.17 pm)—I move:

That the Senate—

(a) notes:

(i) the failure of the implementation of the
    Special Autonomy Law in improving
    the lives of indigenous West Papuans,
(ii) the Council for Indigenous Papuans,
    Dewan Adat Papua, has decided to
    ‘hand back’ the Special Autonomy Law
    to Jakarta on 15 August 2005,
(iii) the unacceptable escalation of violence
    and intimidation, particularly in the dis-
    trict of Pyramid, and
(iv) the dramatic increase in the number of
    Indonesian troops deployed in West
    Papua; and

(b) calls on the Government to:

(i) make representations to the Indonesian
    Government to reassess the implemen-
    tation of autonomy in West Papua,
(ii) make representations to the Indonesian
    Government to withdraw troops from
    West Papua,

(iii) draw attention to ongoing human rights
    abuses in West Papua, and
(iv) urge both sides to show restraint.

Question negatived.

Senator Brown—I ask that the Australian
Greens’ support for the motion be recorded.

JAPANESE WHALING PROGRAM

Senator BROWN (Tasmania) (4.17
pm)—I ask that general business notice of
motion No. 195 standing in my name for
today, calling for the prevention of all whal-
ing in Australia’s territorial waters, be taken
as a formal motion.

The PRESIDENT—Is there any objec-
tion to this motion being taken as formal?

Senator George Campbell—Can Senator
Brown indicate whether this is the amended
version? It has not been circulated in the
chamber.

The PRESIDENT—I believe it was
amended on the Notice Paper, Senator. Is
there any objection to this motion being
taken as formal?

Senator Ian Campbell—There is not, Mr
President. However, I would like to table
some notes which relate to the motion. The
sentiments of the motion are clearly sup-
ported by the government but I would like to
table a statement which explains in detail
why the government will not be supporting
the motion.

The PRESIDENT—There being no ob-
jection to the motion being taken as formal, I
call Senator Brown.

Senator BROWN—I move:

That the Senate—

(a) notes that Japan plans to increase its scien-
tific whaling program; and
(b) calls on the Howard Government to:

(i) stop all whaling from occurring in all
    Australian territorial waters,
(ii) send a surveillance vessel to monitor compliance with Australian laws and to take action to ensure laws prohibiting the slaughter of whales in Antarctic waters are not broken,

(iii) take immediate steps to prosecute boats detected slaughtering whales within Australian territorial waters under the Environment Protection and Biodiversity Conservation Act 1999,

(iv) apply diplomatic pressure to Japan to stop it from expanding its whale killing activity,

(v) take immediate action to ensure that Australia’s opposition to the proposed expansion of whale killing is clearly conveyed to all International Whaling Commission members, and

(vi) reaffirm its commitment to the establishment of a South Pacific whale sanctuary.

Question put.

The Senate divided. [4.23 pm]

(The President—Senator the Hon. Paul Calvert)

Ayes…………… 28
Noes…………… 32
Majority……… 4

AYES
Bartlett, A.J.J.
Campbell, G. *
Crossin, P.M.
Hurley, A.
Kirk, L.
Lundy, K.A.
McEwen, A.
Milne, C.
Murray, A.J.M.
O’Brien, K.W.K.
Ray, R.F.
Stephens, U.
Stott Despoja, N.
Wong, P.
Brown, B.J.
Carr, K.J.
Carr, K.J.
Forshaw, M.G.
Hutchins, S.P.
Ludwig, J.W.
Marshall, G.
McLucas, J.E.
Moore, C.
Nettle, K.
Polley, H.
Siewert, R.
Sterle, G.
Webber, R.
Wortley, D.

NOES
Abetz, E.
Boswell, R.L.D.
Calvert, P.H.
Chapman, H.G.P.
Eggleston, A.
Ferguson, A.B.
Fierravanti-Wells, C.
Humphries, G.
Joyce, B.
Macdonald, I.
Mason, B.J.
Nash, F.
Patterson, K.C.
Ronaldson, M.
Scullion, N.G.
Trood, R.
Adams, J.
Brandis, G.H.
Campbell, I.G.
Colbeck, R.
Ellison, C.M.
Ferris, J.M. *
Heffernan, W.
Johnston, D.
Kemp, C.R.
Macdonald, J.A.L.
McGauran, J.J.J.
Parry, S.
Payne, M.A.
Santoro, S.
Treeth, J.M.
Watson, J.O.W.

PAIRS
Bishop, T.M.
Conroy, S.M.
Evans, C.V.
Faulkner, J.P.
Hogg, J.J.
Sherry, N.J.
Lightfoot, P.R.
Barnett, G.
Minchin, N.H.
Vanstone, A.E.
Coonan, H.L.
Hill, R.M.

* denotes teller

Question negatived.

BUDGET

Consideration by Legislation Committees

Additional Information

Senator McGAURAN (Victoria) (4.27 pm)—On behalf of the Foreign Affairs, Defence and Trade Legislation Committee, I present additional information received by the committee relating to hearings on the budget and additional estimates for 2003-04 and 2004-05.

COMMITTEES

Scrutiny of Bills Committee

Report

Senator GEORGE CAMPBELL (New South Wales) (4.27 pm)—I present the seventh report of 2005 of the Senate Standing Committee for the Scrutiny of Bills. I also lay on the table Scrutiny of Bills Alert Digest No. 8 of 2005, dated 10 August 2005.
Ordered that the report be printed.

DOCUMENTS

Tabling

The ACTING DEPUTY PRESIDENT (Senator Ferguson)—Pursuant to standing orders 38 and 166, I present documents listed on today’s Order of Business at item 15 which were presented to the President, the Deputy President and a temporary chair of committees since the Senate last sat. In accordance with the terms of the standing orders, the publication of the documents was authorised. In accordance with the usual practice and with the concurrence of the Senate I ask that the government response be incorporated in Hansard. I also present various documents and responses to resolutions of the Senate as listed at items 16(a) and (b) on today’s Order of Business.

The documents read as follows—

Committee report

Environment, Communications, Information Technology and the Arts Legislation Committee—Additional information received relating to hearings on the 2004-05 additional and Budget estimates [3 volumes] (received 24 June 2005)

Government response to parliamentary committee report

Foreign Affairs, Defence and Trade References Committee—Report—Australia’s relations with Papua New Guinea and the island states of the south-west Pacific (received 24 June 2005)

Government documents

National Health and Medical Research Council Licensing Committee—Report for the period 1 October 2004 to 31 March 2005 (received 29 June 2005)

Defence of Defence—Special purpose flights—Schedule for the period July to December 2004 (received 1 July 2005)


Auditor General’s reports

Audit report no. 56 of 2004-2005—Financial statement audit—Interim phase of the audit of financial statements of general government sector entities for the year ending 30 June 2005 (received 24 June 2005)


Audit report no. 58 of 2004-2005—Performance Audit—Helping Carers: the national respite for carers program: Department of Health and Ageing (received 29 June 2005)


Audit report no. 1 of 2005-2006—Performance Audit—Management of Detention Centre Contracts—Part B: Department of Immigration and Multicultural and Indigenous Affairs (received 7 July 2005)

Audit report no. 2 of 2005-2006—Performance Audit—Bank Prudential Supervision Follow-up Audit: Australian Prudential Regulation Authority (received 15 July 2005)
Audit report no. 3 of 2005-2006—Performance Audit—Management of the M113 armoured personnel carrier upgrade project (received 28 July 2005)

Audit report no. 4 of 2005-2006—Performance Audit—Post sale management of privatised rail business contractual rights and obligations (received 4 August 2005)

Return to order
Immigration—Palmer report: Inquiry into the circumstances of the immigration detention of Cornelia Rau (received 14 July 2005)

Responses to resolutions of the Senate received from the:
Premier of New South Wales (Mr Carr), the South Australian Minister for Health (Hon Lea Stevens), the Deputy Premier of Tasmania (Mr Llwyllin) and the Premier of Western Australia (Dr Gallop)—Resolution of 15 June 2005—Tobacco policy
Premier of Queensland (Mr Beattie) and the Australian Capital Territory Chief Minister (Mr Stanhope)—Resolution of 21 June 2005—Earth Charter

Other documents:
Supplement to the 11th edition of Odgers’ Australian Senate Practice—Updates to 30 June 2005
Business of the Senate: 1 January 2005 to 30 June 2005
Questions on Notice summary: 16 November 2004 to 30 June 2005
Work of Committees: 1 January 2005 to 30 June 2005

The government response read as follows—

GOVERNMENT RESPONSE TO THE SENATE FOREIGN AFFAIRS, DEFENCE AND TRADE REFERENCES COMMITTEE REPORT—A PACIFIC ENGAGED—AUSTRALIA’S RELATIONS WITH PAPUA NEW GUINEA AND THE ISLAND STATES OF THE SOUTH-WEST PACIFIC

The Government thanks the Senate Foreign Affairs, Defence and Trade References Committee for the comprehensive consideration given to the wide range of issues in the above-mentioned Report. The Report makes thirty-three recommendations. The Government response to these recommendations is provided below.

Recommendation 1
That the idea of a Pacific economic and political community which recognises and values the cultural diversity in the region, and the independent nations within it, and takes into account differing levels of growth and development, is worthy of further research, analysis and debate. Such a community should be based on the objectives of

- sustainable economic growth for the region;
- democratic and ethical governance;
- shared and balanced defence and security arrangements;
- common legal provisions and commitment to fight crime;
- priority health, welfare and educational goals;
- recognition of and action for improved environmental standards; and
- recognition of mutual responsibility and obligations between member countries of the community.

Over time, such a community would involve establishing a common currency, preferably based on the Australian dollar. It would also involve a common labour market and common budgetary and fiscal standards.

ACCEPTED IN PART

Many of the elements described in the recommendation as objectives for a Pacific economic and political community are integral to Australia’s relations with Pacific Island Countries (PICs) and to relations between the island states. The Government is actively supporting further development of practical measures to strengthen regional approaches to good governance and security. However, it does not believe that a single political and economic community, including a common currency, is likely or practical in the foreseeable future. The Government supports the continuation of research, analysis and debate on all aspects of Pacific policy.

Significant elements of a regional, or “community”, approach already exist in the Pacific region.
These include, but are not limited to: the Pacific Islands Forum; the Secretariat of the Pacific Community; the University of the South Pacific; the Forum Fisheries Agency; and regional approaches to trade such as the Pacific Island Countries Trade Agreement and the Pacific Agreement on Closer Economic Relations. A strong regional approach to security issues has also been evident in participation by island states in the Regional Assistance Mission to Solomon Islands. A key element of the Government’s policy approach is to help strengthen existing regional bodies and approaches so that they can more effectively assist PICs, particularly the smallest countries, to address contemporary challenges, including in the areas of governance and security.

At the 2004 Pacific Islands Forum (PIF), leaders approved terms of reference for development of a Pacific Plan to create stronger and deeper links between sovereign countries of the region and identify sectors where the region could gain the most from sharing resources of governance and aligning policies. Australia is an active member of the Forum task force established to develop the plan which will be submitted to leaders in 2005. Development of the plan follows Australia’s successful promotion, initially at the 2003 PIF, of the concept of pooling regional resources to improve governance. Pacific leaders agreed at that time that the pooling of scarce regional resources to strengthen national capabilities warranted serious consideration.

In March this year, the government announced the development of Pacific 2020, a report examining means of promoting economic growth in the Pacific. Pacific 2020 will be complementary to and will help advance the Pacific Plan and other regional economic-related activities. The report, to be prepared by the end of 2005, will be the second in a ten-yearly examination of the development challenges confronting PICs, Papua New Guinea (PNG) and East Timor. Preparation of the report will draw heavily on regional and international partners to examine the region’s record of growth and highlight practical policy options to improve growth prospects over the medium and long-term.

The Government’s promotion of pooled regional governance builds in a very practical way on existing successful examples of pooled regional approaches. The Government recognises that many PICs are small, have limited resources and are distant from major markets, and that it will be increasingly difficult for all regional countries to maintain on a purely national basis all the sophisticated arms of modern government and to provide in every case what the private sector does not. It is common sense for PICs to consider further the opportunities for improved efficiency and effectiveness by managing their resources and affairs on a regional basis where appropriate—or, at least, to consider how a mix of regional and national capabilities, making full use of both private and public sectors, can improve the services provided to the region’s populations. The Australian Government believes that the most effective way of advancing this regional agenda is through concrete, practical proposals such as the Pacific Regional Policing Initiative announced by the Prime Minister in 2003 and implementation of the Forum Principles on Regional Transport Services agreed by leaders in 2004. The declaration of principles was as a result of leaders’ consideration of an Australian-funded regional transport study aimed at improving the efficiency and effectiveness of regional air and shipping services.

The Government has recognized the need to improve environmental standards in the Pacific given the increasing pressures on key land and marine resources (e.g. forests and fisheries) and the importance of natural resource-based industries to the economies of the PICs. Australia has taken the lead role in ensuring the South Pacific Regional Environment Programme (SPREP) is effective in delivering a more strategic approach to capacity development assistance to the PICs. Additional support on strengthening environmental governance in the region is being provided to SPREP and the PICs by the Department of the Environment and Heritage through the Government’s Pacific Governance Support Program.

The Government does not believe that a single Pacific economic and political community is practical in the foreseeable future. This is for a combination of reasons including the uncertainty of benefit flowing from complete integration, and the continuing importance of national sovereignty
to all nation states, including small island countries. Similarly, the adoption of a common currency for the region is not a practical proposition at this time. In parts of the region, the preconditions for introducing a regional currency, such as stable institutions, strong banking systems, flexible price and wage arrangements and available reserves do not exist. Neither is it clear that the benefits of the region adopting the Australian dollar would outweigh the potential costs such as loss of monetary independence. A priority for countries in the region is to improve economic governance, including through better macroeconomic policies, fiscal discipline, transparency and accountability.

There is undoubtedly scope for further pragmatic regional cooperation, an important element of which will be the strengthening of the Pacific Islands Forum and its Secretariat and developing practical cooperation under the Forum’s Pacific Plan process. The Government is committed to continuing to encourage and work with other Forum members to foster greater regional cooperation and integration where practical, in recognition of Australia’s direct interests and our leadership responsibilities in the region.

**Recommendation 2**

The Committee recommends that an Eminent Persons Group be established, with access to specialists from Australia, New Zealand, Papua New Guinea and the Pacific Island Countries to investigate the proposal for a “Pacific Economic and Political Community” The Group should meet with all governments in the region to gauge the desire of countries to move in such a direction.

This recommendation is based on the following considerations:

- The economic and social problems of the region are worsening.
- Australia has a responsibility to assist nations in the Asia Pacific region.
- If sustainable regional economic growth can be achieved issues of governance,
- international crime, law and order, regional security and the health and well being of people living within the region, and in Australia, will improve.
- The region is made up of 16 countries which are independent and sovereign
- entities whose independence is respected
- Many of the countries suffer the problems that arise in small nations with micro economies. To obtain sustainable economic growth, reform needs to be pursued across the region by all nations taking into account the special issues affecting small countries.
- While all nations have the right to pursue their economic goals, each nation has an obligation to the other countries in the region to achieve economic reform and sustainable growth.
- If the region continues to decline, the costs to Australia of dealing with the consequences will be much greater than the costs to Australia of moving to establish a community which can increase regional prosperity.

**NOT ACCEPTED**

The government does not agree that an Eminent Persons Group would be the most useful approach to investigate a proposal which is not likely to be realised in the foreseeable future. However, discussion of such issues can usefully continue in academia, the media and the community more broadly. The Government did participate actively in an Eminent Persons Group commissioned by leaders at the Pacific Islands Forum in August 2003 to review the Forum and Forum Secretariat and is participating in the development by the Forum of a Pacific Plan to encourage sharing of resources and aligning policies.

**Recommendation 3**

The Committee recommends that the Australian Government investigate ways in which it can assist the governments of the region, possibly through the Pacific Islands Forum to facilitate the collection of a standard set of relevant economic and social statistics.

**ACCEPTED**

The Government will continue to investigate more sustainable and effective ways of assisting regional governments with the collection and dissemination of reliable and timely statistical
data. Through the aid program, the Government provides a range of bilateral assistance to PICs to build data collection and analysis capacity within national statistics offices (NSOs) and other government departments.

At a regional level, the Government also provides considerable support to the statistics and population and demography units of the Secretariat of the Pacific Community (SPC). SPC has long been involved in assisting PICs to develop their statistical capacity and to create a workable socio-economic database for the region. SPC consults closely with other regional organisations in the region, including the Pacific Islands Forum Secretariat.

The SPC recently developed the Pacific Regional Information System (PRISM) to give NSOs the tools and the skills to develop and publish key statistical indicators, statistical summaries, reports, concepts, definitions and other documentation. The NSOs have agreed on a core set of important economic and social statistics to be included in PRISM for each country. NSOs have also set up their own websites which SPC now uses to compile and update a regional database of standard social and economic statistics. The Government provides annual funding of close to $720,000 for SPC’s PRISM, statistics and demography programs.

Australia has also supported improvement of regional statistics as a priority area under the Pacific Plan. As a Pacific Plan taskforce member, Australia is working with other PICs and the SPC to find new ways of sharing governance resources and aligning policies to further improve statistics at both the regional and national levels.

The Australian Bureau of Statistics will continue to provide technical support on statistical methodologies, in cooperation with the SPC and other agencies, to help improve the range and quality of statistical information compiled in PICs.

**Recommendation 4**

The Committee recommends that the Australian Quarantine and Inspection Service host a biannual meeting of quarantine and health authorities in the Pacific region to address issues of mutual concern and develop strategies for their resolution.

**NOT ACCEPTED**

The Government understands this recommendation relates to plant and animal quarantine, not to human quarantine, and notes that some of the specific examples raised in the report relate to food safety rather than quarantine.

The Government will investigate practical means to improve dialogue with quarantine and health authorities in the region in order to promote mutual understanding of bilateral issues of concern and develop strategies for their resolution. Regular face-to-face meetings between Australian and regional officials of relevant agencies would play a part in improving dialogue, although the suggestion of involving all regional countries in these discussions and holding bi-annual meetings is considered impractical given existing resources.

**Recommendation 5**

The Committee recommends that the Australian Government, through the Department of Agriculture, Fisheries and Forestry and other relevant State and federal agencies, consult with the governments of PNG and the Pacific island countries on the requirements needed to raise the standard of processing facilities and crop production in those countries in order to bring them up to Australian standards.

The Committee recommends that the findings of that study be forwarded to AusAID for consideration and implementation through Australia’s development assistance programs.

**ACCEPTED IN PRINCIPLE**

The Government notes that it already invests substantially in such activities in the region.

The dialogue referred to in the Government’s response to Recommendation 4 would assist in identifying technical market access issues that are amenable to resolution through technical cooperation and capacity building. AusAID involvement in technical cooperation and capacity building would need to be assessed on a case-by-case basis.

**Recommendation 6**

The Committee recommends that the Australian Government, through the Forum Economic Ministers’ Meeting, assist the member states to develop comprehensive public education strategies
explaining policies directed towards the achievement of economic self sufficiency.

ACCEPTED

As noted by the Committee, PICs have broadly accepted the need for economic reform, but have found the challenges of implementation difficult. While improvements in capacity will assist the implementation task, the development of constituencies in support of reform is also important. The Forum Economic Ministers’ Meeting (FEMM), which first met in 1997, was established at Australia’s initiative to promote improved economic management in the Pacific and to develop appropriate policy frameworks for the achievement of the islands’ sustainable development goals. FEMM provides a valuable forum for supporting the adoption of reform policies, and for encouraging the islands to deal with the more difficult challenges of implementation. FEMM has recognised the importance of explaining the benefits of economic reform to island populations by considering, at several of its meetings, communication strategies and coalition building in support of reform in the wider community. FEMM’s encouragement of the development of private sector representative associations which, themselves, have an advocacy role is an important example of its recognition of the key role of public education and awareness raising.

Australia is supporting a new Pacific Media and Communications Facility (PMCF) to the value of $2.1 million from May 2004 to 2007. PMCF is undertaking a strategic analysis of communication capabilities in the Pacific to provide media training, workshops and attachments. This is strengthening the abilities of Pacific journalists, governments and civil societies to articulate and debate public policy issues in an accurate and balanced manner. The coverage of significant regional meetings (Forum Economic Ministers’ Meeting-FEMM, Forum Trade Ministers’ Meeting-FTMM and other Forum Meetings) is a critical objective of the PMCF.

Recommendation 7

The Committee recommends that, within the Tourism Green Paper process, the Australian Government explore options for regional marketing and promotion with Papua New Guinea and Pacific island countries as part of the promotion of Australia as a destination.

NOTED

The Government’s Tourism White Paper, which was released on 20 November 2003, reiterates the Australian Government’s support for the establishment and maintenance of bilateral and multilateral relations to foster complementary development of tourism within our immediate Asia-Pacific region and in other regions where mutual interest is served.

Recommendation 8

The Committee recommends that AusAID, in association with the Pacific Asia Travel Association and the South Pacific Project Facility and with the agreement of the relevant Pacific governments, commission a study in order to determine the levels of infrastructure and facilities required for countries to develop a viable tourist industry.

NOTED

Tourism is a significant and sustainable industry in the region and, as such, should rely primarily on private sector investment rather than on donor funding. A key impediment to growth in tourism in the Pacific is access, which is difficult and costly. One issue is the need to improve air access, flight frequency, and fare levels by rationalizing air routes, aircraft, and services, and by developing an improved network of regional routes and links with larger neighbouring destinations and source markets. At the 2003 Pacific Island Forum in Auckland, the Australian Government announced funding for a Pacific Regional Transport Study to consider benefits, including in tourism, from rationalising air and shipping services. Completed in June 2004, the study aimed at improving the efficiency, effectiveness and sustainability of air and shipping services in the Pacific. The report of the study was considered by Leaders at the 2004 Pacific Islands Forum and led to adoption of the Forum Principles on Regional Transport Services (see response to recommendation 1). The Australian government is providing $2 million to enable Forum island countries’ access to specialist economic, financial and legal expertise to make key policy decisions in the transport sector. Australia
is also working with other donors to ensure a coordinated approach to assistance for transport reform in the Pacific.

Australia, through the aid program, also supports the Pacific Enterprise Development Facility (PEDF), and the Pacific Islands Trade and Investment Commission (PITIC), which are other key regional organisations that focus on tourism. Within existing support, the Government is prepared to consider the benefit of a joint industry-PEDF-PITIC study into non-transport related issues impacting on tourism.

**Recommendation 9**
The Committee further recommends that, upon completion of the study, Tourism Australia coordinate a group of experts through the Pacific Islands Forum to develop a medium to long term strategic plan for tourism in the region.

**NOTED**
Subject to implementation of the Forum Principles on Regional Transport Services and any joint industry-PEDF-PITIC study into non-transport issues impacting on tourism, the merits of developing a medium-to-long-term strategic plan for tourism in the Pacific region could be considered by the Department of Industry, Tourism and Resources (ITR) in consultation with other relevant Government agencies and the Pacific Islands Forum. Issues regarding the resourcing and funding of the strategic plan would also need to be addressed.

As indicated in the Tourism White Paper, ITR will continue to be the primary source of policy advice on tourism. Tourism Australia’s main responsibility is the promotion of Australian tourism.

**Recommendation 10**
The Committee recommends the Australian Government support Australian industry groups, State governments, unions, Non-Government Organisations and regional governments to develop a pilot program to allow for labour to be sourced from the region for seasonal work in Australia.

**NOTED**
Australia has traditionally not supported programs to bring low skilled seasonal workers to Australia.

**Recommendation 11**
The Committee also recommends that the model developed provide for management and organisational arrangements to be the responsibility of the source country and adequate mechanisms to be in place for training and the transfer of skills.

**NOTED**
The Government’s response is the same as for Recommendation 10.

**Recommendation 12**
The Committee recommends that:

- Australia’s official engagement with Pacific countries be informed by a nuanced appreciation of each country’s indigenous cultural practices, social mores and authority structures;
- the promotion of Australian institutional procedures, premises, codes of conduct and values in a Pacific governance context be carried out with due regard to local needs and conditions but without undermining the essential principles of justice, equity, efficiency and accountability that such institutional practices are intended to uphold; and that
- to these ends, DFAT officials sustain regular dialogue with researchers and scholars of international repute who are active in Pacific and development studies.

**ACCEPTED**
Australia’s official engagement with PICs is informed by detailed knowledge of the region. Australian Heads of Mission and other posted officers at Australia’s Embassies, High Commissions and Consulates General in the region are very much engaged with their host countries and provide nuanced assessments which assist in guiding policy development.

In developing and promoting Australian policy towards Papua New Guinea and the Pacific, the Government encourages an active dialogue with community, business and church groups as well as with academics in Australia, Papua New Guinea and across the Pacific.
Recommendation 13
The Committee recommends that the Australian Government conclude bilateral treaties on development assistance with all bilateral government partners in the Pacific region. The treaties should formalise the process for consultation with all stakeholders and include performance benchmarks that seek to increase local participation in the delivery of programs as in the case of the Development Cooperation Treaty between Australia and Papua New Guinea.

NOT ACCEPTED
Australia’s aid programs in the Pacific are developed in close consultation with partner governments and other stakeholders. Australia already has in place formal instruments on development assistance such as Memorandums of Understanding (MOUs) with all bilateral aid partners. By being regularly reviewed to ensure relevance, country frameworks and MOUs provide a more flexible, appropriate and relevant structure of aid delivery than would bilateral treaties. The Development Cooperation Treaty arrangement with Papua New Guinea reflects the particular history of Australia’s special aid relationship with that country.

Recommendation 14
The Committee recommends that AusAID undertake a review of the Papua New Guinea Incentive Fund to determine whether the Fund is adequately targeting development initiatives consistent with a poverty alleviation focus.

The review should consider:
- whether the Incentive Fund is meeting its objectives;
- whether the assessment of projects to be funded adequately meets the criteria; and
- an analysis of lessons learnt through this form of aid delivery.

ACCEPTED IN PRINCIPLE
AusAID commissioned a review of the Papua New Guinea Incentive Fund in August 2002 to assess whether the Incentive Fund was adequately targeting Papua New Guinea’s development priorities consistent with a poverty alleviation focus. The review report (December 2002) endorses the objectives of the Incentive Fund, commends its innovative approach, and recommends it should be “rebalanced” to target more closely the development priorities of PNG and Australia. Some recommendations from the review have already been implemented.

Subsequent to the 2002 review, the joint Australia-PNG review of the bilateral aid program, agreed by Ministers in Adelaide on 11 December 2003, reported further on the implementation of the Incentive Fund in September 2004. In particular, the Joint Aid Review found that
- the Incentive Fund is meeting its objectives to reward institutions of excellence and to promote good governance, including corporate governance;
- a further review of the Incentive Fund is not required as the 2002 Review provided a comprehensive assessment and the necessary direction for outstanding issues to be resolved;
- remaining differences on whether the Fund is adequately focussed on the mutually agreed development priorities and is meeting the needs of PNG’s rural poor, need to be resolved by the two governments through closer dialogue and engagement.

Recommendation 15
The Committee recommends that a discrete “Emergency fund” be considered, additional to the general budget for Papua New Guinea and the Pacific region to avoid a redirection of aid from the long term development plan as emergencies arise.

NOTED
The Australian aid program has a humanitarian and emergency component (estimated at $131m in 2004-05). These funds are largely unprogrammed at the start of the financial year and provide the aid program with the flexibility to respond to emerging events. This funding is additional to normal bilateral or regional programs and is utilised without impacting on ongoing development activities.

Recommendation 16
The Committee recommends that the Australian Government, through AusAID, fund the administrative costs of a pilot “twinning project” involv-
ing a Pacific community and an Australian local government council.

The Committee recommends that following a two-year review of the pilot, the Australian Government give consideration to further development and expansion of the project.

**NOTED**

AusAID, the Commonwealth Local Government Forum (CLGF) and the Australian Local Government Association (ALGA) work together on twinning relationships between local governments in Australia and local authorities in Papua New Guinea. PNG and Australian local councils make significant mutual, in-kind contributions to the program. The CLGF is also involved in twinning/partnership programs in the Pacific. The CLGF works to promote and strengthen democracy and good governance in local government across the Commonwealth, and to encourage the exchange of best practice through conferences and events, its Good Practice Scheme (incorporating local government skills exchange with PNG), and research and information on innovation.

AusAID has supported the CLGF’s focus on building the capacity of the PNG Urban Local Level Government Association, through a twinning relationship with the Local Government Association of NSW and three Urban Local Level Governments. These twinning relationships are between the Mt Hagen and Orange Local Level Government Councils, Lae and Cairns, and the National Capital District and Townsville Councils.

Building partnerships is a priority for the aid program. Cost-effective proposals for a “twinning project” from a partner government or Pacific community would be considered for possible support under normal appraisal and approval processes.

An example is in Tonga, where the Australian aid program is supporting innovative community twinning projects at Vaiola Hospital—one with St John of God Hospital and Rotary Club of Ballarat, and one with Australia’s National Centre for Diabetes Research.

AusAID will continue to work with the CLGF and initiate twinning projects where appropriate. The PNG partnership was at its two year point in July 2004, and a review commenced in August 2004 as a part of routine AusAID activity management, to inform any potential further engagement with the partnership approach.

**Recommendation 17**

The Committee recommends that the Australian Government expand its Australian Youth Ambassador Program by 25 percent by 2006.

**ACCEPTED**

The target expansion of the Australian Youth Ambassadors for Development (AYAD) program by 25 per cent in the Pacific by 2006 will be exceeded. The Australian Government will provide an additional $24.5 million to the Youth Ambassadors for Development Program over the next four years. By 2006 there will be around 400 young Australians selected for overseas development assignments under the Program. An extra 55 youth ambassador placements will be funded for the Pacific, increasing the numbers from 70 to 125.

**Recommendation 18**

The Committee recommends that the Australian Government embark on a program of annual expansion of funding to Australian Volunteers International and AESOP Business Volunteers to maintain the real value of the programs.

**NOT ACCEPTED**

Ongoing Australian funding for volunteer programs is closely linked to value for money for the Commonwealth and the development effectiveness of delivery mechanisms. While the Commonwealth values the contribution volunteerism makes, this is distinct from a commitment to any particular delivery entity. Following a recent assessment process and in order to determine definitively value for money in Government support for volunteer programs, the Government has tendered for volunteer services with a view to contract arrangements from July 2005. A review of the Australian Government’s overseas volunteer policy was undertaken in early 2004. A new Volunteer Policy has been developed in consultation with stakeholders and made available in August 2004. Future funding will take account of the Government’s new volunteer policy and will be considered in the annual budget context and subject to competing Government priorities.
Recommendation 19
The Committee recommends that as part of regional initiatives in the law and justice sectors, the Australian Government makes supplies and equipment that are surplus to Australian police and judicial requirements available for distribution to Pacific forces.

ACCEPTED IN PRINCIPLE
The appropriateness, interoperability, safety and sustainable use of supplies and equipment available for distribution to Pacific island forces needs to be discussed and agreed to by Australian and Pacific island countries on a case-by-case basis.

Recommendation 20
The Committee recommends that the Australian Government fund an initiative through the AESOP project to encourage retired magistrates and legal practitioners to volunteer their services to assist the judicial systems of Pacific island countries. Recruitment of suitable volunteers could be undertaken, on a fee-for-service basis, by one of the Law Societies or other relevant professional legal associations.

ACCEPTED IN PRINCIPLE
The Government supports extensive legal and justice sector programs in the Pacific and utilises the best mechanisms available for delivering this assistance. Australian legal practitioners currently participate in aid program-funded volunteer programs which are responsive to the needs identified by PICs. Any expansion will be considered in conjunction with the priorities of the Australian Government’s development cooperation strategy for the Pacific region and relative needs and development priorities of PICs.

The Regional Panel of Appellate Judges provides access for PICs to serving and retired judges, including judges from Australia, New Zealand, Papua New Guinea and the United Kingdom. Assistance projects are also underway for regional prosecutors under the International Association of Prosecutors, and for regional judicial training.

Recommendation 21
The Committee recommends that the Australian Public Service Commission coordinate the investigation by Australian Government departments of opportunities for ‘twinning’ arrangements with their Papua New Guinean and Pacific Islands counterparts in order to develop linkages between the departments and share the knowledge and expertise of Australian public servants.

NOTED
Through the aid program, there are already significant activities in the Pacific progressing twinning arrangements with the Australian Public Service. These include public sector reform/institution strengthening projects in Papua New Guinea (including a large twinning program with both the Department of the Treasury and the Department of Finance and Administration); Fiji (e.g. NSW Premier’s Department twinning with the Fiji Public Service Commission); and Solomon Islands (involvement of Department of Finance and Administration and Treasury officials).

In 2004-05, Australia is providing $6 million for a new initiative, the Pacific Governance Support Programme (PGSP), which will enhance the opportunity for linkages between Australian Government agencies and their Pacific counterparts so that networks can be established and expertise shared. The PGSP is funding activities designed and undertaken by Australian Government agencies to develop public sector expertise and build institutional capacity in Pacific Islands states while strengthening regional approaches to shared problems. Twenty-one activities are being funded under the program in 2004-05 including measures to improve maritime and aviation security, public sector capacity, financial institutions, electoral processes and judicial administration.

As well, the Pacific Islands Scholarships for Governance (under the Australia and New Zealand School of Government) will provide five senior Pacific island public servants each year with high-level management and leadership training and a three months work attachment to a relevant Australian agency.

The APS Commission works closely with other Australian Government departments and agencies on such mutually beneficial arrangements. Such issues are discussed in a Pacific Inter-Departmental Committee chaired by the Department of Prime Minister and Cabinet.
Some regional organisations, including the Pacific Financial Technical Assistance Centre, also coordinate twinning arrangements between different Pacific island countries and Australian and New Zealand government departments. The APS Commission is working with the PNG Public Service Commission and Department of Personnel and Management to identify areas of reform and assistance that might be provided to support such reform.

The Public Service Commissioner participated in Pacific Islands Public Service Commissioners’ Conferences in March and October 2004 to discuss issues related to good governance and public sector reforms in the Pacific. In future, these meetings are to be held on an annual basis, with the next scheduled for March 2005. The APS Commission is also working with Pacific Islands Public Service Commissioners on a range of other issues including a work attachments program which will provide an opportunity for up to ten senior officials in 2004-05 to undertake short-term placements in Australia to gain useful knowledge and experience in areas of public sector management.

Recommendation 22
The Committee recommends that representatives of the Australian Division of the Inter-Parliamentary Union, the Commonwealth Parliamentary Association and the Centre for Democratic Institutions, along with relevant officials from the Department of Foreign Affairs and Trade and AusAID, develop a vehicle for the coordinated provision of training services aimed at the institutional strengthening of parliaments in the Pacific Region.

NOTED
The Australian Government recognises the importance of supporting parliamentary accountability as part of the broad spectrum of support for good governance. Since 1998 the aid program has provided core funding of up to $1 million each year to the Centre for Democratic Institutions (CDI).

The Pacific is a focus of CDI’s work. The key project which supports institutional strengthening of parliaments in the Pacific is the Pacific Parliamentary Retreat. The Pacific Parliamentary Retreat has grown to become one of the CDI’s foremost annual events. This annual retreat provides a forum for parliamentarians to discuss democratic systems and processes, using Australian state parliaments as an example.

The Government notes that the Presiding Officers, in their capacity as Joint Presidents of the Australian National Group of the Inter-Parliamentary Union and the Commonwealth of Australia Branch of the Commonwealth Parliamentary Association, have also provided a response to this recommendation, which was tabled in the Parliament on 1 April 2004.

Recommendation 23
The Committee recommends that the Presiding Officers develop strategies for the closer involvement of officials and parliamentarians of the Australian Parliament to assist in the promotion of good governance in the Pacific Region.

This is a matter for the Presiding Officers, whose response was tabled in the Parliament on 1 April 2004.

Recommendation 24
The Committee recommends that AusAID develop other mechanisms to support women’s increased involvement in the aid program and reward those projects that have a demonstrable involvement of women.

ACCEPTED
The Government released its Gender and Development (GAD) Policy in 1997. The policy requires AusAID to ensure that a gender perspective is integrated throughout the aid program. In 2001, AusAID undertook a major review to assess its progress in implementing the GAD policy and to identify lessons learned. That review concluded that while AusAID had made progress in mainstreaming gender in aid activities, more could be done. The review therefore provided a number of practical recommendations at both agency and activity level that AusAID is now implementing. These recommendations included the development of a GAD plan of action, which will include clear, achievable objectives and measurable outcomes.

In addition to the gender mainstreaming approach, AusAID provides support to women’s groups through the funding of multilateral organi-
sations such as the United Nations Development Fund for Women (UNIFEM), regional groups and bilateral activities such as women’s crisis centres in Fiji and Vanuatu. AusAID is further investigating ways to support improved networking of women’s organisations in the Pacific.

**Recommendation 25**

The Committee recommends that AusAID continue its funding to the Fiji Women’s Crisis Centre and investigate opportunities for similar centres to be established elsewhere in Fiji as well as in other Pacific island countries to address issues related to violence against women.

**ACCEPTED**

The government has agreed to a new five-year phase of funding to the Fiji Women’s Crisis Centre (FWCC) which began in July 2004. This activity will include continuing support for FWCC’s regional training program for the staff of similar centres in the Pacific. AusAID is also working with other donors, particularly with NZAID, in ensuring a harmonised approach. FWCC manages two branches in Fiji as well as the Vanuatu Women’s Centre, providing mentoring and training in financial management, counselling and legal assistance. The Vanuatu Women’s Centre now provides mentoring to two smaller centres in Vanuatu. AusAID is discussing options with FWCC for providing these services to related organisations in the region.

**Recommendation 26**

The Committee recommends that in 2006, the Senate asks the Senate Foreign Affairs, Defence and Trade Committee to conduct an inquiry into the efficiency and effectiveness of AusAID’s program delivery in Papua New Guinea and the Pacific. This inquiry should include reference to AusAID’s effectiveness with regard to:

- stability in the region;
- promotion and fostering of good governance;
- the incorporation of civil society;
- incentive schemes; and
- the effectiveness of regional pooling of resources to address governance issues, particularly those in the policing and justice sectors.

This is a matter for the Senate.

**Recommendation 27**

The Committee recommends that the highest priority be given to the Prime Minister of the day to attend all Pacific Forum Meetings.

**ACCEPTED**

Australia will continue to maintain its high level of engagement with the Pacific Islands Forum, including attendance by the Prime Minister at leaders’ meetings whenever possible.

**Recommendation 28**

The Committee recommends that the Presiding Officers of the Commonwealth Parliament develop modified travel guidelines to facilitate the involvement of Australian parliamentarians in bona fide training and exchange programs with parliaments of the Pacific Island countries.

This is a matter for the Presiding Officers, whose response was tabled in the Parliament on 1 April 2004.

**Recommendation 29**

The Committee recommends that the Australian Government consider modifying the operation of its Pacific Strategy which would allow for the removal of Nauru and Manus Province in Papua New Guinea as refugee processing destinations.

**NOT ACCEPTED**

Legislation changes in September 2001 resulted in the transfer of new arrivals to processing centres outside Australia under what is known as the Pacific Strategy. The Pacific Strategy has been an outstanding success in deterring people from attempting to enter Australia illegally by boat. Since the interception of the MV Tampa in late August 2001, 2,083 people on 19 boats entered Australian waters, as at 7 April 2005. Of these, 614 people on five boats were returned to Indonesia on the boats they arrived on; two were returned by air to their country of origin; a further 15 people, Indonesian nationals, were returned to Indonesia by air charter; and the remaining 1,452 people who arrived on 12 boats, were transferred to off-shore processing centres in Christmas Island, and in Nauru and Papua New Guinea. This total of 2,083 people includes no boats in 2002-03 and only 82 people on three boats in 2003-04.

The offshore processing centres are an important element of the Government’s contribution to re-
gional and global efforts to stem the flow of irregular migrants and to combat the activities of people smugglers. Other elements include legislative amendment to create disincentives for asylum seekers to use people-smugglers or bypass effective protection opportunities in order to obtain a preferred migration outcome; regional cooperation; and improved sharing of information and intelligence.

The Pacific Strategy addresses broad regional concerns about countering people smuggling and terrorism. Australia has been greatly assisted by the Governments of both Papua New Guinea and Nauru which embraced the opportunity to participate as a significant contribution to regional cooperation.

The Pacific Strategy is wholly consistent with Australia’s obligations under the 1951 United Nations Refugees Convention and its 1967 Protocol. Where protection claims are raised by an individual, those claims are assessed according to the provisions of the Convention. No person requiring protection will be returned, i.e. refouled.

As at 7 April 2005, 54 residents were accommodated in the Nauru facility, down from a peak in both offshore processing centres on Nauru and Manus of 1515 in February 2002.

The success in deterring new boat arrivals has allowed a wind-down of operations at the PNG processing centre.

The centres are managed by the International Organization for Migration (IOM), an independent international organisation which is well regarded for its care of migrants and asylum seekers. The Office of the United Nations High Commissioner for Refugees (UNHCR) and the Red Cross have had regular access to asylum seekers in the centres. The residents are safe and well cared for.

The Government is constructing a purpose-built immigration reception and processing facility on Christmas Island.

Recommendation 30

The Committee recommends that, within the context of Operation Helpem Fren, the Australian Government facilitate the involvement of key Australian indigenous leaders and advocates in working with their Solomon Islands counterparts to promote and implement the proposed reforms.

NOT ACCEPTED

Operation Helpem Fren has been developed at the request of, and in full consultation with, the Solomon Islands Government. The assistance package is a regional response that has been endorsed by Pacific Islands Forum (PIF) leaders and involves personnel from nearly all of the PIF member countries. This co-operative approach to assisting our neighbour already draws to a significant degree on the diversity of our region. With the primary stakeholders being the government and people of Solomon Islands, the Government does not agree that involvement from other groups is necessary.

Recommendation 31

The Committee recommends that as a discrete Parliamentary contribution to Operation Helpem Fren, officers of the Australian Parliament and the Parliamentary Education Office be made available for capacity building programs for the Solomon Islands Legislature.

This is a matter for the Presiding Officers, whose response was tabled in the Parliament on 1 April 2004.

Recommendation 32

The Committee recommends that the Australian Government provide dedicated additional funds to Austrac to enable the agency to strengthen its support for Pacific Island efforts to address money laundering and terrorist financing. Particular efforts should be applied to Nauru and the Cook Islands.

ACCEPTED IN PRINCIPLE

Pacific Island Countries do require support to address money laundering and terrorist financing issues. These issues are best dealt with as part of a whole-of-government approach to law enforcement capacity-building in the Pacific region. This whole-of-government approach to law enforcement requires support that is both cost effective and appropriate to the specific long-term on-the-ground needs of PICs. A number of initiatives have been funded since the Senate Foreign Affairs, Defence and Trade References Committee held its hearings.
AUSTRAC has been funded under AusAID’s Pacific Governance Support Program, for a 13 month project which commenced on 1 November 2004, to strengthen the capacity within Pacific Financial Intelligence Units (FIUs) to:

- store, analyse and disseminate financial transaction reports and financial intelligence,
- enhance the bilateral relationship between AUSTRAC and Pacific Islands counterpart FIUs,
- strengthen the collective ability to track money flows indicative of money laundering, terrorist financing and other major crimes.

In June 2004 AUSTRAC and the Cook Islands Financial Intelligence Unit established a Memorandum of Understanding allowing for the exchange of financial intelligence and joint analysis of intelligence indicating possible money laundering or terrorist financing involving Australia and the Cook Islands.

In the 2004-05 Budget, the Government announced additional funds for the Attorney-General’s portfolio to further strengthen law and justice assistance for Pacific Island Countries, including assistance to combat money laundering and terrorist financing. The Budget provided $11.4 million over four years to create a dedicated South Pacific Section and a regional Financial Intelligence Support Team.

The South Pacific Section will provide advice and assistance on legal policy, good governance and legislation in the region to combat terrorism and transnational organised crime, including assistance to implement the Honiara and Nasonini Declarations.

The Financial Intelligence Support Team (FIST) is being developed to provide legal and strategic policy advice to Pacific island countries to implement international anti-money laundering obligations and ensure that existing and proposed financial intelligence units are equipped with the necessary skills to address emerging financial crimes. Once developed, the FIST will address financial intelligence support on a Pacific regional basis and will provide legal, financial and law enforcement advice, mentoring and capacity building.

The new strategies described above will be co-ordinated with the existing work of Pacific island countries, donor agencies, and international organisations. AUSTRAC, the Attorney-General’s Department, the Asia/Pacific Group on Money Laundering (APGML) and the AFP work closely in combating money laundering and terrorist financing in the Pacific region.

**Recommendation 33**

The Committee recommends that the government establish the Australia Pacific Council to advance the interests of Australia and the countries of the Pacific region by initiating and supporting activities designed to enhance awareness, understanding and interaction between peoples and institutions of the region.

The functions of the Australia Pacific Council (AustPaC) shall be:

- to make recommendations to the Australian Government, through the Minister for Foreign Affairs, for the broadening and deepening of the relationship between Australia and the Pacific;
- raising awareness of the Pacific in Australia and of Australia in the Pacific, and promoting visits and exchanges between the two countries of individuals and groups for the purpose of broadening relations in a number of areas, including the arts, commerce, education, the news media, science and technology, and sport;
- encouraging the development of Australia Pacific institutional links between universities, museums, libraries, technical colleges, research institutes, professional bodies and appropriate non government organisations; and
- supporting Australian studies in the Pacific, and Pacific studies in Australia.

**NOTED**

The Government recognises the value of broadening and promoting Australia’s relations with Pacific Island countries through promoting institutional linkages and people-to-people contacts. Bodies analogous to the one being proposed which already operate within the Foreign Affairs and Trade portfolio enhance Australia’s relations.
with India, China, Japan, the Republic of Korea, Indonesia and Latin America. Most recently the Department of Foreign Affairs and Trade established the Council for Australia-Arab Relations (CAAR). Any future consideration of a similar body for the Pacific would need to examine both the feasibility and potential benefits of such a council, including financial and other resource requirements.

AUDITOR-GENERAL’S REPORTS

Report No. 1 of 2005-06

Senator BARTLETT (Queensland) (4.29 pm)—by leave—I move:

That the Senate take note of the document.

The Auditor-General’s Report No. 1 of 2005-06 into the management of detention centre contracts was received by the Senate about a month ago. Normally, the Auditor-General’s reports would strike people as worthy perhaps, but not necessarily the most riveting of documents. It is written in audit speak, as it should be. The fact is that this report is an extraordinarily damning indication of the hopeless management, just on the financial and accountability side, of our detention centres. We might think there could not be much more that could damn the Department of Immigration and Multicultural and Indigenous Affairs. The fact is that this particular audit report from the Auditor-General is an absolutely appalling indictment of the financial arrangements, accountability mechanisms, oversights and general mechanisms put in place in relation to the management of our detention centres.

Our detention centres are contracted out by the federal immigration department to GSL, and there are various further subcontractual arrangements with caterers, health professionals and other people. The simple fact is that even those people in the community who support mandatory detention and long-term indefinite detention of detainees should be outraged because they are getting such a raw deal—as is every single other taxpayer in the country—from the arrangements that have been in place. As this report clearly shows, those arrangements have not in any way delivered anything remotely meeting value for money. In my view, as someone who does not support mandatory detention, we do not need to be spending anywhere near this amount of money anyway. The fact is that the way it has been set up, as the report makes clear, does not enable, and has not enabled for a long period of time, the immigration department to know whether or not the contractors are actually meeting the requirements under their contracts. That does not just mean poor value for money; it also means that there are no proper mechanisms in place to ensure that they are doing the job they are supposed to be doing. That means all of the repeated assurances we have had from minister after minister, year after year, that things are done in a certain way and everything is fine because of the requirements that are in place, cannot be believed. I am not sure that they could be believed anyway, but they clearly cannot be believed because the minister and the department were not in a position to know whether those things were being done in accordance with the requirements they had in place.

As this report made clear, there is no way that the department could have ever clearly ascertained whether the various benchmarks were being met. Partly because of the vague and imprecise way in which they were written, it was very difficult to ascertain how to measure it anyway and, because of the reporting mechanisms and other things that were in place and the lack of independent oversight, there was no way to guarantee the adequacy of the reports and the performance that was occurring. I do not think that that was any particular accident. I do not actually think it was a bit of sloppy bookkeeping. I think it made life a lot easier for the depart-
ment, the minister and the government to not be able to find out these things. If it cost a bit of extra money in sloppy bookkeeping and not being able to ensure good value for money, that was a price worth paying to enable them to basically have the problem out of sight and out of mind.

Sometimes you wonder how we could possibly have ended up with situations such as those involving Cornelia Rau, Vivian So- lon and the hundreds of other cases that have now been referred to the Ombudsman—and the many other cases beyond that—that clearly showed bizarre decision making and failures in duty of care at the most basic level. Some of the reasons go back to the way the contracts were structured and the contracting-out arrangements put in place by the government many years ago. That is why I say Auditor-General reports are important, even though they might seem somewhat dry from time to time. It is not just a matter of value for money; it is a matter of transparency and of knowing that the job that is supposed to be done is actually being done and is being done properly and well.

That is why we have ended up with the further expense of people going to the bizarre lengths of having to take out court action to get detention centre operators to provide health care for people. People who had mental illnesses had to get court action to access proper mental health treatment. How inefficient can you get? How appalling in terms of the human cost, of course. As the court found, there was a basic failure of duty of care. As the court judgment also found, just in that particular arrangement with the subcontracting out of the health areas, there were hopeless lines of authority and accountability. In effect, at the end of it all, nobody had responsibility for some of these issues. That is why people do not just fall through the cracks; they go plummeting through great chasms and holes.

I believe it is almost certainly deliberately set out that way. The fact is that that is the consequence. It is the reason the whole issue of contracting out in the first place is a serious problem. We had this debate to some extent earlier on today with the detention of illegal fishers. This involves the same issue whereby detention arrangements are contracted out to private operators. That is one of the reasons the Democrats have a key problem with this, and we have consistently held that view over many years. It is bad policy. It is bad practice, purely in a management sense, in some of those areas such as custodial activities to be contracting out. It is bad for transparency. It is bad value for money and that has flow-on consequences in terms of human cost and the impact on duty of care.

The other point that has to be made about this audit report is that it was not the first time those problems have been identified. Whilst the fact that the department has said, ‘Yes, we accept the recommendations,’ should be welcomed, it should not be sufficient to satisfy people, because the same sorts of problems have been identified before by previous audit reports. The department has said, ‘Yes, we accept that,’ and then nothing has happened. That has to be followed up, in the same way that so many other issues that have come to light and have shown the absolute debacle of immigration management in a whole range of areas have to be followed up. This is just a symptom; it is not the whole problem.

As we have seen from answers supplied after the Senate estimates process, which have come through just in the last couple of days, the cost to the taxpayer to put guards in the psychiatric hospital at Glenside in Adelaide was about 10 times more than the cost of simply providing health care for those people. The absurd obsession with custody, detention and viewing people with a security
approach rather than with a duty of care and health approach has meant that tenfold the amount of resources are being spent on paying private guards in secure mental health facilities purely to guard individual immigration detainees who are in those places. We see that $1 million is being spent in less than a year simply to pay guards to be at these places that are already secure facilities, anyway. I have visited detainees in hospitals who were too ill to get out of bed but were still required to be in the line of sight of two guards for 24 hours a day. That is the level of absurdity and inefficiencies that we have got to. Some of it goes right back to the issues that are identified in this audit report. They are just another aspect of the absolute scandal that is the whole migration area and its administration in this country. It is another reminder of why we have to have comprehensive reform, beyond just a bit of shuffling of some of the people in various positions.

Senator LUDWIG (Queensland) (4.39 pm)—by leave—Over nine long years the Howard government has demonstrated that it has no idea what it is doing when it comes to immigration. For almost as long as this government has been in power, since November 1997, the provision of detention services at Australia’s immigration detention centres has been outsourced to private organisations. Between 1997 and February 2004, detention services at mainland immigration centres were provided by Australasian Correctional Services. The Department of Immigration and Multicultural and Indigenous Affairs signed a contract with Group 4 Falck in August 2003. Group 4 Falck changed its name to Global Solutions Ltd or, as it is more commonly referred to, GSL.

The four-year contract contains an option for the Commonwealth to extend it for a further three years but, after the recent unmasking of the serious mismanagement and the problems within the department of immigration, we have to question whether this is still an appropriate course or, instead, is another example of how the Howard government is incompetent in managing the detention centre regime. So far in 2005, we have seen the result of a total systemic failure within the department that has been going on for nine years. In February, two Baxter detainees took their case to the Federal Court, alleging negligence. During the same month Minister Vanstone announced that an inquiry would be held into the wrongful detention of Australian permanent resident Cornelia Rau, and we have now had the Palmer report. Minister Vanstone also announced during that month that an inquiry would be held into the Vivian Solon matter, which the Ombudsman is now conducting.

Those cases occurred after the management of detention centres was transferred to a private company, GSL. Whether or not GSL is to blame, I think the government is. The recent ANAO report into the management of detention centre contracts found that this government is so out of touch that it believes that $6 million was well spent in transferring the management of these centres to GSL. Furthermore, a number of failures and omissions and an unclear liability indemnity insurance regime within GSL’s contract means it is impossible for the Commonwealth to know with any certainty exactly what is covered by GSL’s insurance. That means it is unclear where liability between the Commonwealth and GSL falls. It allows the Commonwealth to take the blame, the liability and the risk rather than ensuring that the contract manages that. That is another failure in that this government cannot even manage its insurance contract. That is what the ANAO report found.

It also found that, when the contract was signed, DIMIA failed to have in its possession a list of Commonwealth assets and equipment at the detention centres so that
what was Commonwealth property and what was the contractor’s property could be determined. The incompetence and failure continued when it came to the monitoring of the contract itself. While in theory DIMIA should have been able to identify poor quality service delivery, the ANAO found that at a number of points within the monitoring and reporting process DIMIA officials exercised considerable discretion as to the extent of what was reported. They could decide what they should or should not report. There was discretion at that point.

The report also found that the lack of clarity in performance standards outlined in the contract made it difficult to assess the performance of GSL. The ANAO reported that DIMIA could not well assess, according to its standards, the performance of GSL. Driving home the extreme Liberal ideology about what an appropriate way to manage immigration detention centres is, the ANAO found that DIMIA’s internal monitoring and reporting arrangements did not define or measure lawful, appropriate, humane or efficient detention. One of the key objectives of contract administration is to demonstrate value for money, but the report found no evidence that DIMIA’s internal reporting arrangements monitored the extent to which expenditure was contributing to the achievement of value for money.

In its report the ANAO has found what I am sure the Australian public have long suspected of this government: that this government has little idea about what is really going on within its own detention centres. What is of real concern is, as in the case of Cornelia Rau, the sheer incompetence and extreme Liberal ideology favoured by the minister which ensured that problems have multiplied and developed into much larger ones until we are faced with the situation we have seen over the last couple of months. The latest outrage orchestrated by GSL and the department saw a group of detainees who were transferred to the Baxter detention centre in the back of a van—a journey of 6½ hours without toilet breaks, food or water, so it seems. Instead of punishing GSL for this and for the errors made during the detention of Cornelia Rau, the minister, according to the Australian Financial Review of August 4, may deliver ‘a handsome financial windfall which comes at the expense of taxpayers’. How is that for out of touch? Why would you give them a windfall in their contract? The minister, it appears, rewards bad behaviour.

It is clear that, after nine years, the Howard government is still unprepared to deal with the most basic issues associated with immigration detention management. It is time for the Howard government and the minister to recognise that it is not good enough. Not only have they left Australia unprepared to deal with the issue of immigration detention in the future, but the situation has become dire. The time for action has passed. The minister should seek further help and assistance, because clearly she cannot do it on her own.

Senator STEPHENS (New South Wales) (4.47 pm)—I too want to take note of this ANAO report on the detention centre contracts. It is an important report, and it is one that slipped below the radar for many people because we were not here. It was tabled on 7 July, just one day after the Palmer report. It was a sleight of hand that is perhaps indicative of a government that has been in power for nine years too long.

The report makes a very convincing case that DIMIA has no idea what is going on inside its detention centres and that it is simply hoping for the best from its contractor. As Senator Ludwig said earlier, the report bolsters Labor’s argument that the running of detention centres should remain in public
hands and should not be contracted out, and this report tells us exactly why. It reveals incompetence, maladministration and arrogance; and, most importantly, it reveals what a shambles the contract was that was drawn up by DIMIA. The report states:

... the Contract does not adequately specify key responsibilities that are to be met, either by DIMIA or GSL. In particular, clear and consistent definitions are not provided for health standards that are central to detainee welfare. For example; Duty of Care, and the specific obligations for a subcontractor supplying psychological services …

The deficiencies in the supply of health and psychiatric services, and, more generally, the inadequacy of the contract between DIMIA and GSL, could not have been given a more tragically human and Australian face than the cases of Cornelia Rau and Vivian Alvarez Solon. The Palmer report, which scratches the surface of these cases, went further, stating:

The current detention service contract with GSL is flawed and does not allow for the delivery of immigration detention policy outcomes that are expected by the government. It is onerous in its application, lacks focus in its performance audit and monitoring arrangements, and transfers risk to the service provider. The contract places little emphasis on service quality or the establishment of an equitable detention environment, which are vital to the success of governance. In essence, the contract describes a master-slave relationship.

After nine years of the Howard government, I am sure that a master-slave relationship would be the key descriptor of all relationships that exist with government ministers. I would go so far as to say that it is endemic throughout the executive. It is a relationship that breeds a culture of blame-shifting, denial, complacency and assumption.

Both the ANAO report and the Palmer report highlight the dangerous culture of assumption and denial that exists within the department—a culture that has overseen the detention and the deportation of mentally ill Australian citizens. It is a culture that did not begin with the department itself but has been passed down from the very top. It has been passed down from the Prime Minister’s cabinet table. We all know about the famous Howard cabinet table, with its remarkably comfortable sheepskin-covered chairs that cost the taxpayers $5,000 each. Perhaps they were sitting on those chairs when they decided that the best way to change the culture of DIMIA was to promote the head of the department. That is right: instead of deploiring this type of behaviour, they rewarded it. What message does that send? They promoted a person who, under the direction of Minister Vanstone, nurtured a culture that, according to the ANAO report:

... assumes that detention services are being delivered satisfactorily at each immigration detention centre unless the reporting of an Incident (or repeated Incidents) highlights a problem.

This is the crux of the culture of assumption. Surely the last thing we should do with these centres, this department, or, more importantly, this government, is to assume anything. But that is exactly what has been festering in Minister Vanstone’s department. In the words of Mick Palmer, it is ‘a culture of denial and self-justification’—and, might I add, detestable arrogance.

What other word besides arrogance could you use to describe the unbelievable fact that part A of this ANAO report, dealing with the contract between DIMIA and Australasian Correctional Management, the providers previous to GSL, had not even been seen by DIMIA before the current contract with GSL was settled. That is right: part A of this report, which detailed—surprise, surprise!—many of the same problems outlined in part B, was received by the Senate on 18 June 2004, yet the contract with GSL was signed on 27 August 2003. It really is a joke. This government treats the inquiry process and, in
turn, the Australian people with contempt. They sign a contract with a second provider before the report detailing the problems with the first provider has even been postmarked and, after the shocking details of Cornelia Rau are known, they order an inquiry, as damning as it may be, that only has the power to scratch the surface.

Now it is time to dig below the surface. It is time to drag the government off their comfy sheepskin chairs. Put simply, it is time for a royal commission—a royal commission with the power to compel witnesses and crack the culture of denial and secrecy that has gone unchecked within this government, a royal commission called for by the families of Cornelia Rau and Vivian Alvarez Solon and a royal commission that fully exposes this government and its ministers as the incompetent, complacent and in many ways dangerous group that they are.

Senator HUTCHINS (New South Wales) (4.53 pm)—I, like my colleagues, also wish to comment on the ANAO audit that was conducted on the management of the detention centre contracts for DIMIA. As has been explained by my colleagues, this report presents yet another damning indictment of the government’s mismanagement of immigration detention centres. You would think that the number of reports beating a path to the minister’s door would tell her that something is seriously wrong with her department’s handling of immigration detention.

The report was to assess DIMIA’s management of contracting for detention centre services, especially focusing on lessons learned from the previous tender, transition and management of those centres. Like most aspects of this unfortunate minister’s portfolio, time and again those lessons have not been learned. Time and again this audit witnessed bungling, inadequate and unclear processes and requirements, a lack of oversight and, most importantly, significant leakage of public money in the management of the contract.

It is important to note that the conditions of detention centres and the mismanagement of cases like Cornelia Rau’s have been considered by other reports. Those reports found that a poisonous organisational culture, inadequate safeguards and poor procedures culminated in the circumstances which are before us now on the public record. This report has found that systematic shortcomings also extend to the management of detention contracts.

The report by the Australian National Audit Office is damning in its findings, which include that the contract does not adequately specify key responsibilities that are to be met, either by DIMIA or GSL—the detention services contractor—and that clear and consistent definitions relating to the health standards that detainees should be able to expect, such as duty of care, accessibility of psychological services and the like, are not provided. The Audit Office also found that oversight mechanisms, including monitoring of subcontractor arrangements for their compliance with intended outcomes, are lacking. We have a contract whose terms are ambiguous, and the promises made by the contractor, GSL, can be seen as illusionary. In key areas where the terms of the contract should be very clear, such as the standard of services at immigration detention centres, they are precisely the opposite.

In addition to the very human cost behind the government’s failed detention contracting, there are also associated financial costs. The report found that since 2000 over $16.9 million has been paid out or settled by the Commonwealth due to damage caused to detention facilities in disturbances and riots. The contract, however, has placed all the risk on the government, with little clarification of
where the liabilities of the day-to-day operators, GSL, should lie. This is because the definition of an incident of disturbance is unclear, as differing descriptions are used throughout the report. This creates confusion in determining liability between the parties. Secondly, there is no mechanism to determine the amount that the service provider is liable for in respect of damages, and the Commonwealth is not protected from service provider’s insurance.

While this is bad enough, there is no satisfactory way of measuring the contractor’s performance in fulfilling its contract. Whilst the contract contains 148 standards and 243 measures of performance, these are meaningless, with over 300 undefined phrases such as ‘timely’, ‘appropriate’ and ‘relevant’. No doubt all these allow the contractor to shirk its responsibilities under the contract.

The report has noted that, despite DIMIA having been in the business of contracting detention since the late 1990s, the costs have been blowing out under the contracting arrangements. Despite detainee numbers falling, costs have been increasing. On current projections, with a contract worth $90 million each year, overheads are close to $30 million. When you add on the $20 million of additional litigation I referred to earlier, the financial losses alone present a compelling case to place detention back in public hands, but this still pales against the human misery associated with this government’s detention policy.

Mr President, if you have an opportunity to read this report from the ANAO, you will be amazed and surprised—or maybe you will not be—at the sheer arrogance with which this department seems to conduct its business. No private industry would conduct its business this way. This government seems to have had many indications that DIMIA is incapable of management and has an organisational problem yet still has not acted on them. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

FIRST SPEECH

The PRESIDENT—Before I call Senator Ronaldson, I remind honourable senators that this is his first speech. I therefore ask that the usual courtesies be extended to him.

Senator RONALDSON (Victoria) (5.00 pm)—Thank you, Mr President, and I congratulate you on your re-election. This place only has the powers specifically enumerated in our Constitution. For that I am grateful. I am grateful for both the wisdom of our founding fathers and the generations of Australians who have seen fit in so many referenda to reject the request of rapacious governments to increase the power of the federal legislature. I am grateful that the powers of this place are limited because, like the founding fathers of the 1890s, Australians of today are cynical about the use of powers of this or any place to do good.

I am a liberal and I sit proudly on this side of the chamber. I am a classical liberal, economically and politically. As such I believe first and foremost in the innate goodness and sense of the Australian people. More than that, liberalism is based on trust—trust in ordinary Australians, both as individuals and as a collective group. This trust in ordinary Australians manifests itself in a preference for minimal and dispersed government. This trust in individual choice means a recognition that the free market is not only good but is necessary for the creation of individual choice and private wealth, which are social goods in their own right.

However, while this place’s powers are circumscribed, they are sufficient. The Australian people’s grant of power to this place carries with it all that is proper and necessary for us to do our job. While I have just spoken
about the importance of the curtailment of this place's power, just as important, though, is the necessity for us to use the powers we have been granted to deliver on our promises to the Australian people.

Some would take it as given that the government is elected to govern, but, to the shame of some honourable senators past and present, that has not always been the case. A series of reforms never voted on by the Australian people, from the introduction of preferential voting in 1918, compulsory voting in 1924, proportional representation in 1948 to the enlargement of the Senate in 1948, 1974 and 1984, has led to a situation whereby for 24 years the government of the day has been denied a majority in this place. This is an electoral system that would be completely alien to the house of review planned by the founding fathers, who instigated a system likely to give the government of the day a majority.

This anomaly has been used capriciously over the last nine years to stop key election policies endorsed by the people of Australia from being implemented. In a shameful chapter in this place's history, the Senate has acted as a block on the government’s ability to deliver its promises to the Australian people. Indeed, I believe one of the urgent tasks this place faces is a reconsideration of the deadlock provisions and how they interact with the electoral provisions introduced since Federation. For my part, I will be doing my utmost to deliver to the Australian people the promises that were made to them by this government. They expect no less and they deserve no less.

While liberalism is based on a foundation of trust and individual liberty, the ideologies of the Left—Labor and Greens—are based on the premise that a select few know what is best for ordinary people. This pattern of mistrust by so-called modern Labor and its willing ally, the Greens, is clearly evident in two recent public policy decisions. The first was the disgraceful attempt to deny Australians tax cuts—a decision of breathtaking arrogance and seeming contempt for Australia’s working men and women. The other is so-called modern Labor’s attempt to stall industrial relations reform and its support of the ACTU’s obscene scare campaign. It shows again that Labor is prepared to sacrifice jobs and real wage rises in favour of its primary political donor. It is remarkable that in 2005 Labor does not trust ordinary Australians to sit down and negotiate their terms of work comfortable in the knowledge that they are fully protected.

I have had the great privilege of serving the Australian people in a variety of ways throughout my career—as a city councillor in my home town of Ballarat and as a member of the House of Representatives representing Ballarat, both in opposition and government. I have had the privilege of serving in several shadow ministries, as a member of the Executive Council and as Chief Government Whip. I now have the privilege of representing the people of Victoria as a senator. I intend to honour their trust by undertaking to exercise my caution in the growth of state power. Coupled with this is my determination to use powers such as we have to improve the lot of ordinary Australians by delivering on this government’s mandate.

Just as I am cautious about expanding the powers of this place, I am cautious about expanding the powers of other wings of government. For example, I remain firmly of the opinion that the implied rights doctrine of the High Court is a dangerous one. The implied rights doctrine is an attack on the rule of law and the sovereignty of parliament. It takes the precious right to change our Constitution away from the Australian people and delivers it to an activist judiciary who never face election. The judicial activism that has led to
the implied rights doctrine is also the nub of the doctrine of legitimate expectation as set out in Minister for Immigration and Ethnic Affairs v Teoh—another case of the judicature attempting to usurp legislative power.

Since the Treaty of Westphalia in 1648, a key norm of international law has been state sovereignty. Each state, including our own, has the right to organise its own affairs. Treaties are made by the executive by virtue of the foreign affairs power but must then be ratified and given effect by the legislature. To give a treaty automatic force of law by judicial fiat enables the executive to make law, flying in the face of the doctrine of the separation of powers. The obiter dicta in the High Court decision in Re Minister for Immigration and Multicultural Affairs; Ex parte Lam is insufficient to lay this to rest. It is time to ensure that Teoh is undone forever—if necessary, by an act of parliament.

Unfortunately, the central values of liberal democracy are also in danger from an external threat. Jihadist fundamentalism is the greatest challenge to the liberal democratic way of life we face today. We are faced with the ethical dilemma of a radical group who want to kill us because of our free, liberal, secular, egalitarian society, and they are using these very freedoms we hold dear to attack us. We must work to remove the voice of those who foment terrorism. Where it is possible, we must deport clerics who teach that suicide bombing, in any country, is acceptable.

While this view is at odds with some media commentators, I am reminded of the words of Winston Churchill:

An appeaser is one who feeds a crocodile, hoping it will eat him last.

It is interesting to note that, decades later, another Prime Minister of England—a Labour Prime Minister—is now firmly of the view that appeasement is not an option, but rather tough yet measured approaches are required. We must use the full force of the law against those who use positions of trust and authority to incite hatred and violence. Neither radical Muslim cleric Abdur Raheem Green nor Sheikh Abdul Salam Zoud should be allowed to enter this country to preach their messages of hate. Just as our current laws limit the right to speak where such speech incites violence, so too must we limit the ability of hate-speak to incite terrorism.

It goes without saying that when a regime attempts to commit the genocide of Kurds, when a regime commits repeated aggression on its region and serves as a state supporter of terrorism, such as the $25,000 payments to the families of suicide bombers, it should be reprimanded militarily. Of course, this position assumes a moral judgment that genocide, military aggression, terrorism and suicide bombing are wrong. I am talking of the Baath Socialist regime led by Saddam Hussein. The sanction or otherwise of the United Nations should be irrelevant in the face of such evil.

The problem with the other side of this place is that it is morally adrift. The philosophy of today’s ‘broad left’ is founded on postmodernist, deconstructionist, poststructuralist and cultural-relativist philosophies. To the extent that it has had an effect on the ALP and the Greens in the Australian parliamentary system, it has disengaged them from the battle of ideas. The ability to deconstruct any fact or truth requires the cultural relativist to depart from the plain speaking that Australians hold dear. When there is, as the postmodernists hold, no objective truth, then all statements are equal. You would think that in this place political differences could be put aside to say that genocide, military aggression and terrorism are wrong. Unfortunately, there are those in this place who would seek to make excuses for the terrorists who would destroy us—who, as poststruc-
turalists, see no difference between those who do wrong and those who seek to do right.

Former Labor senator Sue Mackay said in this place:
The war against Iraq is wrong and Australia should be having no part of it.

Labor Senator Kate Lundy said:
... this war is about oil and domination more than disarmament.

There is no humanitarian motivation in military intervention into Iraq, only a concern for the bank balances of the West.

On the UN vote condemning the security fence that Israel so desperately needs to protect itself from the global scourge of suicide bombers, Kevin Rudd, federal Labor shadow foreign affairs minister, said:
A more appropriate course of action would have been for Australia to have abstained on this particular resolution.

These Labor senators and members stand condemned along with those who hold that Australia, America, Spain and Britain are the ones to blame for September 11 and the Bali, Madrid and London bombings.

For those Labor and Greens members and senators who have explicitly stated that we should not have liberated the Iraqi people, let us not forget Saddam Hussein’s legacy. As recently pointed out by Tony Parkinson in the Age, the atrocities uncovered in the aftermath of the Kuwait occupation alone were horrific. In 1991 the US military lawyers of the Office of the Judge Advocate General commenced a report into war crimes committed ‘at the direction or with the approval of Saddam Hussein and officials of the Baath Socialist Party’. The report details as follows:

The gruesome evidence confirms torture by amputation of or injury to various body parts, to include limbs, eyes, tongues, ears, noses, lips and genitalia. Electric shock was applied to sensitive parts of the body (nose, mouth, genitalia); electric drills were used to penetrate the chest, legs or arms of victims. Victims were beaten until bones were broken, skulls were crushed and faces disfigured. Some victims were killed in acid baths. Women taken hostage were raped repeatedly. Eyewitnesses described the murder of Kuwaitis by Iraqi military personnel who forced family members to watch. Eyewitnesses reported Iraqis torturing a woman by making her eat her own flesh as it was cut from her body.

It saddens me that some within the party of Curtin now identify with those that fight freedom. It is disturbing that the party of Hawke, which, for all its faults, once stood arm in arm with fellow democracies like the United States and the United Kingdom, has sunk to such lows that some of its parliamentary representatives would have condemned the people of Iraq to the continuation of Saddam Hussein’s socialist regime.

Another example of the Left’s postmodern moral muddle on terrorism was the ABC’s coverage of the 7 July bombings in London. While the rest of the world condemned those vicious terrorist attacks, the ABC’s web site referred to ‘a suspected militant attack.’ By the next morning, they had even dropped ‘militant’ in favour of the non-judgmental heading ‘The London bomb attack’. The ABC’s style guide advises taxpayer funded journalists:

Remember, one person’s ‘terrorist’ is usually someone else’s ‘freedom fighter’. ‘Terrorism’, ‘terrorist’, ‘militant’, ‘gunman’, etc. are all labels. Our reports should rely first on facts, and clear descriptions of events, rather than labels that may seem too extreme or too soft, depending on your point of view.

We must not be afraid to call this what it is: it is terrorism. We must not be afraid to describe it in moral terms: evil. I stand here today proud to be a government senator. The fight against fundamentalist terror is likely to be the greatest challenge of this century. It is
a challenge for which Labor is not ready. It is a challenge that we cannot shirk.

The scourge of postmodernism is not just an obscure philosophy held by some in the ALP and the Greens with respect to terrorists. Postmodern literary theory has also infiltrated our schools. Labor governments across the country have removed traditional literacy and numeracy programs, music and sport from our children’s curriculum. They have been replaced with deconstruction, so-called fuzzy maths, whole language learning and an institutionalised guilt in being members of a liberal democracy. Indeed, former Victorian Labor education minister and Premier Joan Kirner has said of education that it should be ‘part of the socialist struggle for equality, participation and social change’.

Fractions and percentages matter for kids. The ability to master mathematical operations and calculations is critical for numeracy. Mental arithmetic, times tables and long division are not arcane; they are the skills our kids need for life. Guesswork, fuzzy maths and calculators are a cop-out. Spelling, grammar, sentence structure, punctuation and vocabulary are necessary for a literate society—not so-called whole language learning. Indeed, as young Australians, our kids’ birthright should be to inherit the great traditions of Australian and English literature. The poems of Henry Lawson and Banjo Paterson and the plays of Shakespeare should mean something to our children. Even the simple pleasure of playing a musical instrument is denied to so many of our children. Only 23 per cent of children at state schools have access to music education. The blame for this lies fairly and squarely at the trendy ‘whole of arts’ education promulgated by so many state Labor governments.

Our children deserve to learn the times tables, be given spelling lists and learn grammar. Children at all schools should have the opportunity that physical education and music teachers provide. Similarly, Australian parents deserve to know when their kids are failing and to be given appropriate assistance to help if they are at risk of failing. I will fight tooth and nail in this place to ensure that our kids are not subjected to this pseudo-education of failed education fads under successive Labor governments.

Unlike the cultural relativists of the Left, we of the liberal and conservative traditions are prepared to say that there is an objective truth. There are not always two sides to every argument. There are some normative values which are both self-evident and necessary for Australia to continue as we know it: the rule of law; a good education for our children; the separation of powers, both vertically and horizontally; freedom of speech and association; free exercise of religion; trial by jury; secure borders; the maintenance of national security. These are the cornerstones of Australian liberal democracy and I will fight any attempt to diminish these at every turn. These are my non-negotiables.

Some 12 years ago, in another place, as shadow minister for sport I proposed an hypothecated lottery to fund sports in this country. I am still a supporter of this concept but believe that it could be broadened to benefit many more ordinary Australians. I would like to propose the ‘Triple A Lottery’, the Advance All Australians Lottery—a dedicated fund to invest in the priorities of people and places across Australia that have been forgotten. State governments across Australia spend too much on professional sports and not enough on putting physical education teachers in schools. They invest too much in opera companies and not enough on music teachers in state schools. They spend too much funding trendy artists with no audience and not enough on programs to help disabled kids find meaning in their life. Good causes to benefit ordinary Australians
which could be funded include programs in education, sports, charities and community organisations. I will be continuing my work to make this a reality.

I am a proud member of the Victorian Division of the Liberal Party and will be working hard to ensure the division and those representing it are treated such that merit is recognised and that the division’s position within the party is accorded its full dues. I take this opportunity to thank the members of my party and the Victorian people for their trust and confidence. I would like to thank my friend Helen Kroger for her tireless efforts in rebuilding the jewel in the crown of the Liberal Party—our Victorian division. I would like to praise Peter Costello for his outstanding leadership and thank Michael Kroger for his friendship. From the bottom of my heart I sincerely thank Cate for her support and assistance to me. To my staff, I thank you. To my friends from the other place, thank you for your support over many years. To the Treasurer, thank you for your attendance today. It is an extraordinary honour for me to be here. It has been a long time coming—some 18 months. I thank honourable senators for their courtesy.

Honourable senators—Hear, hear!

FIRST SPEECH

The PRESIDENT—Before I call Senator Fielding, I remind honourable senators that this is his first speech. I therefore ask that the usual courtesies be extended to him.

Senator FIELDING (Victoria) (5.21 pm)—I am a proud Australian family man who comes to this parliament with a sense of awe and excitement but also humility. This is an historic occasion. Family First is a new political party and I am its first federal politician. It is historic not just for me but for those all around Victoria and Australia who gave selflessly to make today happen. I am particularly grateful to all our candidates, volunteers, staff and supporters—and of course to the Australian people and families who voted for us. I thank you.

Being the public voice for Australian families is a great responsibility which carries with it some big challenges but also some big opportunities. What I bring to this parliament is a strong conviction that the family is the foundation upon which all societies are built and sustained. There should not be a need for a political party called Family First. But there is a need, because too often decisions made in Canberra do not put families first. Instead, it is families second and political ideologies first.

It is pretty simple: to build Australia, surely we need to be paying more attention to the wellbeing of families and making that our top priority. The fact that children are our future ought to be obvious. The major parties do not seem to understand or care enough about this reality and they do not make the future of families and their wellbeing the foundation upon which all policies are developed.

Mr President, ask any Australian what is most important to them in their life and they will say their family. I am no different. As a child growing up, I thought my family was the typical Aussie family. However, I now realise that typical was not the best way to describe the Fielding family. My parents, George and Shirley—who are here today—were both only children. They just loved having kids. They loved it so much they kept having them. They stopped when they reached 16. I have seven sisters and eight brothers, aged from 53 to 32. There are no twins or triplets. I am seven down from the top. Home was a three-bedroom house in Reservoir in the northern suburbs of Melbourne, where Mum and Dad still live today.
with my sister Sandra, who has an intellectual disability. Mum and Dad will celebrate their 55th wedding anniversary next month, which is another amazing achievement. I love them very much.

Dad worked at a hardware supplies company called McPhersons. He started there as an office boy when he was 16 and stayed there 40 years. He did a lot of overtime and had a second job on Saturday mornings to make extra money. Mum’s parents lived nearby and gran used to stay with us from Monday to Friday. She slept in a bed in the hallway which was pushed to one side during the day time. We did not have much money or material things but what mum and dad did give us was plenty of love, time and an education.

They taught me values such as honesty and respect for others and gave me things which I will have with me forever: a sense of purpose, a sense of who I am and what I could aspire to. Mum and dad taught me that happiness comes from family, not money. They also instilled in me the obligation to contribute to my community. While money was tight, mum is proud of the fact that we never missed a Royal Melbourne Show. With each passing year, there were more and more kids. Dad’s request for a family pass at the turnstiles seemed to require more and more creative accounting. I have fond memories of our annual camping holiday on the coast at Torquay, where we would pitch two big scout tents, one for sleeping in and one for eating in.

For the last 23 years, I have been in the work force earning a living trying to do the best for my family. The last five years, I have been in the superannuation industry, one of our most regulated, so as well as understanding the importance of saving and being conscious of the debt levels of the average Australian household, I also understand small business and red tape.

While proud of my work, my proudest achievement is my own family—my wife Susan and our three children, James, Campbell and Gabrielle. They are my life and sustain me, day in and day out. I am also proud of the fact that Sue and I will celebrate our 20th wedding anniversary next Wednesday. I really believe the heroes of Australia are its mums and dads. They have the toughest job of all: raising children. Children really are the great life work of parents. Australia is the magnificent country it is today in large part because of the sacrifices made by mums and dads to give their children the opportunity to get ahead and to teach them the values they need to be good citizens.

The Australia of tomorrow will be influenced by the children of today, just as the Australia of today has been shaped by the children of yesterday. But what my parents and their generation see today I do not believe is what many of them expected. We live in an age of self: self-interest, self-fulfilment and self-promotion. It is also an age of materialism. Far too many of us feel defined by what we own, what we earn, where we live, where we go on holidays and where we send our kids to school. This thinking, this culture, is the legacy of the cultural revolution of the 1960s and 1970s—the era in which I grew up. It was a time when traditional values were thought to be oppressive, to hold people back; where the world would be a better place if we could be free to maximise our personal enjoyment. I remember in high school when the teacher gave us the choice about whether we attended or not. And the result? I became a great squash player and my golf handicap came down.

It was the era that challenged authority at home, at school and on the streets, an era in which the basic wage to support a family
was ditched in favour of a wage to support an individual. The government’s financial support for families, especially lower income families, is welcome. However, the fact that this is needed proves that a single income is no longer sufficient to support a family.

Thirty years on from the cultural revolution, we can examine the results, and they are not what many intended. Demolishing our traditional social structures has simply enslaved us to the forces of the market. Where once the labour market respected the fact that workers had family responsibilities, today workers struggle to balance their paid work and family life. Sue and I are wealthier than my parents. We have been to more places, live in a bigger house and have more gadgets. But does that make our generation happier than that of our parents? I do not think so.

Removing restraints on social behaviour has led to a huge increase in social problems. Divorce rates and relationship breakdowns are up. Suicide rates are disturbingly high, especially among teenagers. Drug use is up amongst teenagers and even younger children. Obesity levels are up. We are more insecure. Parents are uncertain about their roles. Children do not know their limits.

We are also told lifelong employment is a thing of the past, and a permanent full-time job is a luxury. We all know the saying, ‘We can’t turn back the clock.’ But does that assume we never make mistakes and that all progress is good? Why can’t progress be subjected to the same reality test as anything else? History does matter. We need to keep the best of the past and, if needs be, restore it when we go wrong. Take the eight-hour day as an example. One hundred and fifty years ago our forebears fought for the idea of eight hours work, eight hours rest and eight hours leisure. It was not just about shorter working hours; it was also about the chance to participate fully in community life. Today, in the name of progress, this model has been discarded to the dustbin of history. How many parents would welcome more time with their kids? Sue and I certainly would. How many children would love to see more of mum and dad?

The economic tools used to achieve this ideal may be ineffective or inappropriate today. But that is no excuse for ditching a model of strong family and strong community life. Today, sadly, what are sold as family friendly policies are really market friendly policies. The major parties struggle to reconcile their professed family values with their free-market mantra. They struggle because the two cannot be reconciled. The mantra of choice, competition and consumerism is in conflict with family and community. Often it seems we live in a world where few values matter except those of the market.

There is huge pressure on almost every activity to be financially viable—to compete, to pay its own way and to show a healthy bottom line. But Australians are not economic units, Australian households are not harbours of consumption and Australian children are not commodities. Productivity should be geared as much to helping workers become better parents and family members as to boosting profits and returns to shareholders. How many Australians have asked, like I have: ‘Does my paid work dictate my life and, if so, is my family suffering because of it?’

A current example of the tension between the market and families is seen in the debate about the government’s workplace changes. There seems to be a growing concern that many Australians are there to serve the market rather than the market being a tool to serve them, especially families and small businesses. There is no doubt where Family
First and I stand on this battle, and I have no doubt where most Australians would line up.

Putting the primary focus on the family does not mean individuals do not have personal responsibility. Within the family, everybody has responsibilities. In my case, when I was growing up my job was to peel the potatoes—and I can tell you that for 18 people that is a lot of spuds a week! In the same way, families have responsibilities to the community, just as the community has responsibilities to families. It is a two-way street. We all need to pull our weight. My hope is that we will discharge our responsibilities as legislators by looking at the world through the prism of children and families. That is why Family First proposed family impact statements, and I am delighted the Prime Minister has agreed to prepare them for major legislation.

Currently, a parliamentary committee is inquiring into work and family issues. It will be interesting to see whether it makes recommendations which are genuinely family focused or whether it dresses up market friendly recommendations as being family friendly. For example, despite the apparent sympathy for the stresses on families and the need to find a balance between paid work and family, will it recommend the model of eight hours work, eight hours rest and eight hours leisure as the ideal for the family and the community? Will it recommend that a single income should be sufficient to support a family? If by the presence of Family First in this place we can persuade the major parties to make the future of families and their wellbeing the prism through which all policies are developed, the efforts of all who made this day possible will have been worth while.

Surely it is time to replace our obsession with the market. Let us imagine an Australia where we put the family first. Imagine if families had genuine choice about how they structured their paid work and family life. Imagine if workers could be parents first and workers second. Imagine if workers could feel secure in their jobs and did not have to bargain for basic wages and conditions. Imagine if we could reduce the crippling number of marriage and relationship breakdowns which wreak such a devastating toll on families. Imagine a culture where the first question we always ask is: ‘What’s best for our families? What’s best for our kids?’ Ultimately, that is what is best for this great nation of Australia.

**FIRST SPEECH**

The PRESIDENT—Before I call Senator Milne, I would like to acknowledge the presence in the public gallery of former senator Dee Margetts. Welcome back the Senate. It has not changed much. We are pleased to see you here. I now call Senator Milne to make her first speech and ask honourable senators that the usual courtesies be extended to her.

Senator MILNE (Tasmania) (5.40 pm)—It is a great honour and privilege to take my place in the federal parliament as an Australian Greens senator standing up for the place I love: my home, Tasmania. I am standing up for its wild forests, its undeveloped coastlines, its endemic species of plants and animals, and its people. Seventeen years ago, I joined the farmers of Wesley Vale who, for the first time in Australian history, took to the streets on their tractors ablaze with the slogan ‘Save our soil, sea and sand; Protect the land’. It was a courageous stand about:

... a people’s right to exercise some control over their destiny ...

It was a stand for country against a huge kraft chlorine pulp mill which would have polluted some of the best agricultural land in the country, carved it up in railway corridors and destroyed a rural community’s way of life.
Wesley Vale is my place. It is my country. It is framed by the Dial Range to the west, Mount Roland and Cradle Mountain to the south, Narawntapu National Park to the east and Bass Strait and beyond to the north. It is where I was brought up in the fifties and sixties on a small family dairy farm. As was the wont of country children then, I roamed around the farm with my father, catching tadpoles and rabbits and watched the changing seasons and the wild ducks leave and return. I got to know the way the light fell across the paddocks on late summer afternoons and the way people helped each other out and the way they argued in milking sheds and sale yards about whether it would rain and whether the local team would win.

It was knowing and loving that country, Wesley Vale, its stories and way of life and standing up for them that was the crucible of my political life. I thank all of those in that community and my family, who are here today in the gallery, especially my mother, June, and son James, my other son Thomas in London, my nieces and my extended family in Tasmania and my friends for their support in my journey. Through it, I came to realise that my own experience was not unique; that all over the world people like the Wesley Vale farmers are struggling to hold onto their special places, their country, their values and their way of life.

The ‘son of Wesley Vale’ now threatens the forests, the Bass Strait and the Tamar Valley. It is a tragedy that the same struggle has to be fought all over again. Through Wesley Vale, I realised that the struggle of the people at Ralph’s Bay for their coastline and for the habitat of migratory birds is the same struggle as those who campaign for wetlands in Saemangeum in Korea; that the struggle to save native forests and ecosystems all around Tasmania from the Weld Valley, South Sister and the Blue Tier, from the Tarkine to the Styx valley and from Reed Marsh to Weilangta is the same as the struggle for forests in Papua New Guinea, Borneo and Amazonia; that the fate of the Tasmanian devil is the same as the fate of the mountain gorillas in Africa. Both are dying from disease because of human impacts. I came to realise that you need to know and love a special place in order to empathise with other people’s special places and that to stand up for one special place is to begin the process of standing up for them all. It is the beginning of becoming a global citizen.

It seems fitting, therefore, that I should have begun my service to the Australian community here in the Senate by standing up once again for the land, by being driven on a tractor to the Senate doors today by the next generation of young farmers from the very same district in which my own roots stretch back over five generations. These Tasmanian farmers and the processing workers who depend on their ability to stay on the land and produce high-quality food are the human face of the free trade agreements that Australia has signed. They are the victims of globalization and the downward pressure on prices, wages, human rights and environmental protection that such agreements have wrought on this nation. The Greens have opposed them all and last year, when both major parties supported the US-Australia Free Trade Agreement, I was overwhelmed by the scale of the sell-out and all I could think was, ‘Poor fellow my country.’

This nation needs to have a full, frank and inclusive debate about values, about what it means to be Australian. It is imperative that this struggle to define what our major national values are is named and reclaimed by the community as a fundamental debate in Australian politics, for whichever set of values emerges dominant from the current debate will define who we are as Australians for decades to come. It will shape the lives of each and every one of us, our children and
our grandchildren, our environment and our
global standing as a nation. Indeed it is al-
ready doing so. Not to engage the debate
means that the mean-spirited mediocrity of
today will by default become our national
character tomorrow.

It used to be that every political party
could be defined by values, by the values it
prioritised in the hierarchy, but it is no longer
clear which values underpin mainstream
politics. Every political decision is a values
based decision, from tax cuts, which priori-
tise individual self-interest over the common
good, to the slashing of incomes for single
parents and people with disabilities. This is a
matter of justice and justice is something that
you either value or you do not. The abolition
of student unionism is being dressed up as an
issue of freedom of association, but isn’t it
more an issue of equal opportunity for young
Australians?

There has been a concerted effort to quar-
tantine the values debate to matters of private
and personal morality, deemed ‘family val-
ues’, in order to avoid a values debate on
public economic and social policy. The pros-
perity gospel has been adopted to legitimise
consumerism and materialism and to ad-
vance the economic rationalist agenda of
conservative governments. The notion of
‘family values’ is confined to a narrow range
of values to suit a particular agenda. Where I
grew up, honesty, kindness, respect, justice,
fairness, tolerance, love and forgiveness
were family values. Discrimination against
and vilification of minorities, lying, misrep-
resentation and meanness of spirit were not
family values.

This quarantining of the values debate in
such a narrow way is designed to do two
things: firstly, to send a signal to the elector-
ate that the government has a strong values
base; and, secondly, to declare that all other
issues are value free, so that it seems possi-
ble to have strong values and at the same
time trample the very values of honesty,
equality, freedom of speech, compassion,
tolerance and a fair go which Australians
hold dear and which are at the heart of all the
world’s great religions and humanist phi-
osophies.

We have to ask ourselves how we can col-
lectively save the world’s climate when the
world’s superpower, the United States of
America, and our own country fall back on
the principle of national sovereignty to jus-
tify refusing to take any action to reduce
greenhouse gas emissions that will require a
change of lifestyle or a commitment to fixed
targets. This government condemned the
Kyoto protocol for its modest targets, and yet
it has entered into an arrangement that has no
targets at all and which relies on unproven
technology and so condemns our children
and our economy to massive disruption in
years to come if their gamble fails.

How can we as a global community up-
hold human rights if we do not do so in Aus-
tralia? As long as our Indigenous people suf-
fer high rates of infant mortality, low life
expectancy and poor health, as long as we lie
about ‘children overboard’, as long as we detain
asylum seekers and put innocent peo-
ple behind razor wire, as long as we ignore
the Geneva conventions and tolerate torture
at Abu Ghraib prison and Guantanamo Bay,
we have no moral authority on human rights.

How can we protect global biodiversity if
our own Environment Protection and Biodi-
versity Conservation Act fails so abysmally
to protect biodiversity and fails so spectacu-
larly to authentically domesticate our global
obligations under the Convention on Biodi-
versity and the World Heritage Convention?

How can we protect our borders and our
ecosystems from alien invasive species and
disease and promise farmers around the
world biosecurity—including those vegeta-
ble, apple and pear and salmon farmers from Tasmania—when the provisions of the free trade agreements prioritise trade over biosecurity and ecological integrity?

How can we strive for world peace and at the same time join a coalition of the willing to invade Iraq on a false premise? How can we say, this very week, ‘Hiroshima: never again’, and wag our finger at Iraq and Iran, whilst at the same time negotiating a nuclear cooperation agreement with China to increase our export of uranium?

How can we accuse other nations of corrupt behaviour and label them failed states and insist on governance reform when we in this country engage in a politics: … in which no one responsible admits responsibility, no one genuinely apologises, no one resigns and everyone else is blamed.

There are those who would argue that we can do all of these things and invoke Australian nationalism and coopt all our national symbols, including the Anzac spirit and the flag, to justify them. They say that they are standing up for Australia and the Australian way of life. But it is they who are selling out the country. It is they who are suffocating the spirit of Australia.

Australians do not feel good about themselves when the government acts as if our bank balance and consumption patterns can and should be secured at the expense of other people and other species. The community understands the global boomerang effect of fear and oppression, of driving down working conditions and environmental standards and ignoring human rights. They are worried about what happens in China today because they know that it will happen in Australia tomorrow. They know the consequences of the war in Iraq and that our involvement in the war will rebound on us. But equally the spirit of the nation does rally when the government acts in a way that makes it proud.

The recent reaction to Japan’s attempt to reintroduce commercial whaling is a case in point.

What gives me hope is the increasingly loud and urgent cry from the hearts of Australians everywhere for a return to what we know in our heart of hearts is ‘country’—a return to the spirit of the land and the expansive values of goodness, honesty, justice, fairness, equality, generosity, freedom and ecological stewardship that are for Australians inherent in the concept of ‘country’.

The second thing that gives me hope is that democracies are self correcting and the campaign to rescue the Senate is well under way.

This concept of ‘country’ that I am talking about is a precious insight we have learned from our Indigenous people. It incorporates the land and their stories. It is not jingoistic.

In talking about country, I take this opportunity to acknowledge that we are gathered in Ngunnawal country and I pay tribute to the traditional owners. Just as we must as a nation progress reconciliation with Indigenous people, we must also progress our own reconciliation with ‘country’—our own sense of place and identity.

The Tasmanian experience can assist in that process. Change comes from the periphery, not from the centre. From Tasmania has come a new way of seeing the world, a new way of identifying country. Greens politics globally began in my home state with the establishment of the United Tasmania Group in 1972 as a response to the drowning of Lake Pedder. At the outset, it was a politics of values, a new ethic. It recognised that at the same time we are citizens of local communities, nation-states and one world in which the local and the global are interconnected. It is a politics dedicated to bringing forth a sustainable society based on a respect for nature, universal human rights, economic justice and a culture of peace and participa-
tory democracy. These values underpin the Greens vision of reconciliation between humans and the natural world.

WB Yeats once said, ‘In dreams begins responsibility’. The formation of a political party to achieve that dream of reconciliation was an acknowledgement that the founders of the UTG were prepared to take responsibility for the earth and future generations. I honour the memory of Dr Richard Jones as I honour all the founding members of the UTG and all those people who have supported the Greens vision in the intervening years and have made it possible, 33 years later, for me to join my colleagues Senators Brown, Nettle and Siewert in this parliament, and others in dozens of parliaments around the world, as the Greens representatives.

We are the only political party at the beginning of this century that is global in its reach, global in its thinking and global and local in its action. Such a global perspective is critical for decision makers in every parliament of the world. In the absence of a democratically elected, global decision making forum, each national parliament is charged with coming to terms with a world community interconnected by ecosystems but struggling to resolve the contradictions and seemingly intractable problems thrown up by a combination of a global population of six billion, global warming, the unprecedented movement of people and goods around the world and the increasing scarcity of environmental resources like fresh water and uncontaminated soil. The need for global democracy, cooperation and multilateralism has never been greater. How 2½ billion people in India and China exercise their right to develop will be the key to whether or not global ecosystems can continue to sustain us all.

That is why the Green Charter, based on the Earth Charter, is so important—because it provides us with a framework in which to think. Whilst it does not promise right or wrong answers, it allows the questions to be asked in such a way as to elicit an ethical answer. But an ethical answer can only be found by inclusive, vigorous public debate and not by silencing dissent. It can only be found where academics feel free to speak out, where public servants are free to speak out without the threat of losing their jobs and where the community can speak out without fear of being sued. The notion of cooperative and inclusive politics does not sit easily in the Westminster system, but the arrogance of absolute majorities, one ideology and simplistic solutions, does not sit easily with the complex thinking required to address our common future.

This is the philosophy I brought to the Tasmanian parliament during my 9½ years there, six of them as leader of the Greens. By doubling the size of the Tasmanian Wilderness World Heritage Area, in saving 22 small schools from closure, in achieving gay law reform and in driving the process for gun law reform and a tripartite apology to the stolen generation, the Greens were able to demonstrate that you do not need to be in government to drive change and innovation. We will not disappoint the nearly one million Australians who voted for the Greens at the last election.

In this Senate the Greens will continue to innovate. We will work with the Australian community to find not only solutions that we as Australians would want to live with but also solutions that we would be happy to have imposed on us. If fear, indifference and greed can have such powerful ramifications, imagine what hope, compassion and generosity might do for Australia and for the world.

In Canberra in 2001, I was privileged to be chairing the plenary session of the Global
Greens Conference when, with a resounding standing ovation, the Global Greens Charter was ratified. The moment was captured by a young Nigerian environmentalist, Nnimmo Bassey, when he said:

That men women and youth could join hands across the oceans and other divisions of this world to face our common challenges was simply encouraging and empowering. It gave us hope and with hope we can face the future.

It is hope for the future and empowerment of the many that the Greens bring to this Senate. It is to be the voice of those who feel that they have not been represented that the Greens take on the role of advocate.

PALMER REPORT

Return to Order

Senator LUDWIG (Queensland) (6.02 pm)—by leave—I move:

That the Senate take note of the report.

I rise to speak on this order of production of documents in relation to the Palmer inquiry. The record of this government in managing immigration is, in short, a complete sham. It appears that many of the lessons out of the unfortunate detention arrangements are yet to be learnt. The Liberal government has had to be dragged kicking and screaming from its extremist position on immigration—in fact, it dragged its heels the whole way. The Liberal Party has become, in short, blinded by its own extremist ideology. It seems that, in the instance of the immigration detention regime signed up to by this government, the Australian community and its values have been left by the Liberal Party. They are not with the Australian people on this issue. They have departed. Herein lies the source of DIMIA’s problem: its culture. We have been told this by the Palmer inquiry. But it cannot only be the culture within the department itself. You have to look wider and say, ‘Where is the accountability in terms of the department?’ Does the accountability rest with the first secretary, the undersecretary, the officials or the clerks within the department? No, it does not only rest there; the responsibility for the culture rests at the top. The culture is set by the minister’s office and the minister leads the department. That is where the responsibility lies.

The accountability for a department lies with the minister in respect of how the department operates and works. The minister cannot absolve herself from guilt in relation to the culture of the organisation. Yet when you take the Palmer report, what does it say about the extremist culture of the Howard ministry? The answer is that it says absolutely nothing. In fact, if you look at appendix B of the report, it reveals a curious omission. This page contains a list of people whom Mr Palmer interviewed in the preparation of his report. There are some key names missing—names like Mr Ruddock and Senator Vanstone. They are not in the Palmer report. If you were to look at how the Palmer inquiry was going to conduct itself, you would say, ‘We want to get to the bottom of what happened. We want to find out what happened in relation to Ms Cornelia Rau. We want to find out how a department allowed this to happen.’ You would then say, ‘We need to start by looking at the incident. We need to interview the relevant people.’ Mr Palmer seems to have done his job diligently in that respect. Although we do not know whether all of the people were interviewed, at least we know that a report was produced and departmental officials were interviewed. But you would also say, ‘We should look at what happened in relation to the minister’s office.’ There may or may not be anything there, but you would at least try and satisfy yourself and say, ‘We should interview the minister and the minister’s office to determine whether they had any involvement or
not.’ You would at least try to rule it out, if not to find or apportion blame.

You might then say, ‘We do need to look at whether we apportion blame and whether we need to say the minister’s office or the minister herself is accountable as to how this incident came about.’ I would expect that you would then interview the minister’s office and the officials who may or may not have had any involvement. That does not seem to have been done, despite the fact that Mr Palmer discussed matters pertinent to the inquiry with Senator Vanstone on a regular basis, it seems, as was reported during estimates. No-one in Senator Vanstone’s office—that is, no-one including the minister—was interviewed in the production of his report. But we do know that Senator Vanstone was in consultation with Mr Palmer about the report itself.

We also know that Mr Ruddock was not interviewed. Nor, it appears, were any of his staff. Mr Ruddock, of course, was the minister who was responsible prior to Senator Vanstone. This oversight has left a blemish of mismanagement cover-up by this government. We do not know whether anything has been hidden from us—the opposition—or Mr Palmer about whether there was any involvement of Mr Ruddock or Senator Vanstone. I am not going to make the accusation that there was, but I would have expected that the Palmer inquiry, the Neil Comrie report—which is yet to be made—or the Ombudsman would look at these issues.

We were promised—at least I use the word ‘promised’—guardedly a full inquiry by this government but we have thus far only received half the story. The culture that allegedly pervades DIMIA does not stop within the department itself. The source, if we are to remove it root and branch, must also include the minister’s office. That is where we also have to look. If you do not have a complete inquiry, if you do not go and look at those other areas, there will always be the suggestion that there has been a cover-up. Mr Palmer took the job on but, in my view, he never stood a chance with one arm tied behind his back.

It is a matter of established fact that Ms Cornelia Rau wrote to the Minister for Immigration and Multicultural and Indigenous Affairs while in detention to appeal for her release. Were the circumstances of that contact investigated by Mr Palmer? Not as far as we know on reading the report. How can that be a full and thorough investigation of the case, when there has been no interview with the minister who was written to and who could ultimately have ordered Ms Rau’s release? It is a hole that should have been filled, but it is not too late. The minister can redress that. The minister can take up the issue with Mr Comrie and with the Ombudsman and say, ‘I am open to being interviewed. I am open to my staff being interviewed to work out the sorry mess that surrounds these matters.’

Let us look at the preliminary findings of the Alvarez case as well, and ask this question: would a full and adequate investigation leave one of the main protagonists in that affair out of the inquiry? That is exactly what happened. Senator Vanstone’s right-hand person, the chief of staff, Dr Nation, was the prism through which all of the contact between DIMIA and Ms Alvarez’s former husband, Mr Young, occurred. That means that every conversation with Mr Young, then DIMIA’s primary contact in relation to the case, occurred through the filter of the minister’s office. That is what the record tells us: that at the time it was realised that the person was an Australian citizen, was deported by DIMIA and was subsequently found, Mr Young’s contact was through Dr Nation.
What a surprise it was, then, to learn that Ms Alvarez’s former husband and Dr Nation of the minister’s office came to an agreement, it seems, to conceal from public knowledge for a vital short period that an Australian citizen, Ms Alvarez, had been deported. Yet this is exactly what we heard at Senate estimates. For the benefit of senators who were not at the committee late that night, let me quote directly from the Hansard. Senator Evans asked:
How did you know Mr Young wanted it kept quiet?
Mr Killesteyn replied:
That was a matter that was discussed between Dr Nation, the minister’s chief of staff, and Mr Young at the time.
Senator Chris Evans then asked:
But no-one at DIMIA had actually spoken to Mr Young.
Mr Killesteyn replied:
No. We had a view that this was a serious matter and that we should treat it as such. As a consequence, we think the matter was appropriately dealt with by personal contact between Dr Nation and Mr Young to show that we were treating it seriously and that we were in the process of searching for Ms Solon.
That seems odd to me, and I think it would seem odd to anyone in this chamber as well.
It is inconceivable to me that this investigation could be considered adequate in terms of the report when one of the principals in the case has not been asked about his involvement in the matter. Yet the minister’s office still remains, as far as I can determine, answerable to Mr Palmer. We will find out whether or not the minister’s office is answerable to Mr Neil Comrie’s or the Ombudsman’s reports. The Australian public have a right to know what went on. The central issue is that there needs to be full and frank disclosure.

Senator BRANDIS (Queensland) (6.12 pm)—It is always disappointing to me and I find it, in fact, somewhat unseemly when there is a real human tragedy which occurs as a result of somebody falling within the machinery of government and being treated badly that non-government political parties in this place leap upon it with alacrity and seeming glee and say to themselves, ‘Aha, here is a wonderful opportunity for us to score a political point against the government.’ Perhaps I am a little too sensitive, but I think that there does come a point at which respect for the people concerned should abjure being gleefully and recklessly political about human tragedy. So I am going to try to avoid being too political in this speech and merely record the facts.

The core fact of this case is that in the administrative processes of the department of immigration two very grave errors were made, which had terrible consequences for two particular people: Ms Rau and Ms Solon. When that came to light, the government appointed Mr Palmer, a respected former federal police commissioner, to get to the bottom of it.

Let us put this in context. In the last five years the department of immigration has processed, in one manner or another, some 80,000 unlawful entrants and other persons of interest. Without for a moment excusing what happened in these two cases, it does not strike me as beyond the ordinary ken of human affairs that, when one is dealing with a case load of that magnitude, occasional mistakes are made—two out of 80,000, in this case. They were serious mistakes with tragic consequences; nevertheless, they were mistakes made within a machinery of government which processes tens of thousands of people. That is the first point.

The second point is this: one judges whether or not there is culpability by the
government and by the minister by considering the response of the government and the minister. What did the government do? As I said a moment ago, the government appointed Mr Palmer—who, as anyone who knows him either personally or by reputation knows, is a demanding, no-nonsense investigator—and asked him to get to the bottom of the matter. His appointment was announced shortly after these cases came to light. He conducted a searching investigation, he delivered a report to the government, and the Prime Minister and Senator Vanstone announced on 14 July that, in the broad, the recommendations of the report would be accepted. There is no suggestion of personal culpability by the minister. No such suggestion could be seriously made by any intelligent person. The report found that, among case officers, errors were made in respect of these two people. Mr Palmer identified those errors, and the government accepted what he said.

The government apologised to the two persons concerned, as it quite properly ought to have done. Mr Palmer also recommended that changes be made to the systems and processes within the department, and the government, in a frank and self-critical way, accepted those recommendations and has committed itself to those processes.

In these two cases, framed in the context of two human tragedies which really should be immune from cheap political point scoring, we have systemic problems identified. The problems having been identified, the government responded with alacrity. Anyone who has acquainted themselves with the facts would agree that the government’s response has been characterised by candour, transparency and responsiveness—but you would not think that from listening to the rhetoric that we have heard from Senator Ludwig. You would not hear that listening to the rhetoric of some on the other side of the chamber. And that is a shame.

In my former profession as a barrister, to be accused of engaging in rhetoric was a high professional insult because it suggested that the person concerned was more interested in the beauty of their own words, more interested in scoring a point, than in critically and clinically assessing facts. Rhetoric has an honoured place in politics but, when one is dealing with specific instances of conduct which tragically affect the lives of two Australians, it would be nice to hope that we might ascend above rhetoric and show a bit of integrity to the facts of the two cases. That is what Mr Palmer has done, and the government has taken his advice.

Let me give an example. We have heard a lot of high-blown rhetoric about children behind razor wire in the Baxter detention centre. Those who trouble to read the Palmer report, as opposed to reading the rhetorical talking points published by the Australian Labor Party, will have found that Mr Palmer had this to say:

Many of the stories about Baxter that circulate and have become folklore are just that.

... ... ...

Descriptions of hell and razor wire have been aired on television file footage. There is no razor wire at Baxter; the stories relate to Woomera, which was closed in April 2003.

Reference has been made to cells and bars. At Baxter there are rooms with doors and windows. The Management Unit is represented as a punishment cell where no light enters and where people are incarcerated 24 hours a day. There are 10 single rooms, each with a door, a window, toilet and shower facilities, and a mattress. Detainees are permitted limited periods in outside courtyards.

... ... ...

It has been claimed that lights in ‘cells’ are left on all night to intimidate detainees. There is a light switch in every room.
Although they were critical about a number of aspects of Baxter life, the detainees interviewed by the Inquiry did not complain of poor or malicious treatment. They also said that they had never witnessed mistreatment of Anna and rejected many of the popular claims made about her behaviour …

That appears at pages 57 and 58 of the Palmer report.

Let me close where I began. When dealing with a case of a human tragedy, we have a particular responsibility to exercise a bit of discretion and sensitivity. As ethical legislators, we have an obligation to maintain fidelity to the facts. I would have thought that we have an obligation to this institution not to wrap the facts of a human tragedy in the easy, lazy guise of rhetoric in order to score a political point. Something badly wrong was done here, in two of the 80,000 cases that DIMIA handled in the period under review. It was identified, the procedures have been corrected, and the government has apologised in a frank and self-critical way.

Senator BARTLETT (Queensland) (6.22 pm)—This is the first opportunity for the Senate to note the report. I think that aspects of what Senator Brandis said need to be responded to, even though he has left the chamber so he will not be hearing this. He talked about the Cornelia Rau and Vivian Solon incidents as being real human tragedies. There is no doubt about that. But this is not about just one or two tragedies. The one or two cases detailed in this report are simply one or two amongst many tragedies. That reflects a situation that is not a tragedy but an abomination.

Senator Brandis talked about fidelity to the facts, and I agree with him on that. The problem is that many of the findings contained in the Palmer report are consistent with findings that have been made time and time again by Senate committees, by the government’s independent advisory group into detention centres, by parliamentary committees, by the Human Rights and Equal Opportunity Commission, by the Ombudsman and by international organisations. All of those findings and facts were continually dismissed, belittled and waved aside with the sort of political rhetoric that Senator Brandis so rightly criticised as having no substance and simply being about scoring political points.

It is easy to score political points demonising vulnerable people and ignoring the situation the powerless are in. There is no group that is easier to score political points against than the powerless. The inevitable consequences of that are the human tragedies that Senator Brandis so rightly decried. Whilst I do not know who he specifically had in mind when he talked about people gleefully and recklessly exploiting this situation, I can assure him and the government that I am not gleeful at all about this. I am extremely angry and outraged that this has continued to occur for so long.

Let me remind the Senate also as we talk about this that one of the people who are the subject of this tragedy, Ms Solon, is still enduring that tragedy. She is still in Manila and not able to return to the country that she has been a citizen of for a long time. I saw in the Senate committee the other day an email that was tabled from her ex-husband. I am not sure if it has been published yet, so I will not read it word for word. It had finally got through to somebody who paid attention to it. He had tried a number of times over the years with phone calls and other things to clarify what might have happened. That email specifically mentioned Ms Solon’s children just wanting to know what had happened to their mother. That woman has still not been able to reunite with her children. I would urge the government to deal at least with that situation and do what is necessary to enable her to get back into Australia.
The suggestion was also made that basically this is a terrible situation—and we all agree with that—but things just went wrong with the administrative process. I assert very strongly that it was not just a matter of wonderful administrative processes that just had a glitch or two which caused terrible tragedies. It was an inevitable consequence of the law that this parliament and this Senate passed. I have to continually re-emphasise the point that those laws were continually passed by both major parties in this place. It is the policy underpinning those laws that makes these sorts of situations inevitable. I will look specifically at the categorical and unequivocal findings of this report. Main finding No. 4 was:

There is no automatic process of review sufficient to provide confidence to the Government, to the Secretary of DIMIA or to the public that the power to detain a person on reasonable suspicion of being an unlawful non-citizen is being exercised lawfully, justifiably and with integrity. That goes to the heart of the key problem that is still in the law. The law gives public servants the power to lock somebody up on reasonable suspicion that does not have to be proved in front of any independent body. When you give people that sort of extreme power to take somebody’s freedom away and lock them up for an indefinite period of time purely on a suspicion that does not need to be backed up and proved with solid evidence before an independent body, it is almost inevitable that you will have inappropriate uses of it and people being jailed wrongly, if not unlawfully—depending on how trickily the law is written—but certainly not justifiably or with integrity.

Mr Palmer spoke about a serious cultural problem within DIMIA’s immigration compliance and detection areas. Let me emphasise that this problem is much wider than simply dealing with asylum seekers. The compliance mentality infects huge amounts of the migration department. But it has to be emphasised that you cannot change the culture simply by changing some personnel in the administration. The culture comes from the law and from the policy, and that is driven by the government.

There is no doubt that the chief lyric writer and lead singer for this culture club is the Prime Minister. The guiding anthem that directed the band of workers in the immigration department was the Prime Minister’s rhetoric of, ‘We shall decide who comes into this country and the circumstances in which they come,’ and the continual underlying message of that repeated again and again is that it is the government that will decide. It is not due process. It is not an independent body. It is sure as hell not going to be the courts. It is not the law. It is the government: ‘We’ll decide, and that’s that.’ That fundamentally undermines the rule of law. As Mr Palmer himself said in the very first line—the first principle—of his report:

The protection of individual liberty is at the heart of Australian democracy.

This law, this policy that drives this culture strikes at the heart of Australian democracy.

We just heard a firebrand speech from Senator Ronaldson. I congratulate him on his first speech, where he specified the rule of law as being non-negotiable for him—very firm. Here is his chance to demonstrate it in the very next debate. When we will be dealing with another change to the law, he will have a chance to demonstrate whether or not he actually supports the rule of law and the fundamental principle at the heart of it—the right to individual liberty, the right not to be locked up indefinitely without due process. It is pretty hard to think of other more significant things than that when you are talking about the rule of law.

This report makes a finding that Ms Rau was locked up in the Brisbane Women’s Cor-
rectional Centre for six months as an immigration detainee. Mr Palmer says not just that she was not a prisoner—that she had not done anything wrong—but that she was put there for administrative convenience. We can lock somebody up in a jail for six months for administrative convenience—that is what the law allows, that is what the policy encourages. Mr Palmer said:

There are serious problems with the handling of immigration detention cases. They stem from deep-seated cultural and attitudinal problems within DIMIA and a failure of executive leadership in the immigration compliance and detention areas.

This failure of leadership has to go right to the top or the term ‘leadership’ means nothing. This is not just a tragedy; this is a damning indictment that is consistent with report after report. You cannot deal with it just by changing a few people lower down the cogs in the machine. You have to change the whole tune. You have to change the law. I and the Democrats will continue to push until those changes are made. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

PARLIAMENTARY ZONE
Proposal for Works

Senator COONAN (New South Wales—Minister for Communications, Information Technology and the Arts) (6.33 pm)—In accordance with the provisions of the Parliament Act 1974, I present a proposal for works within the Parliamentary Zone, together with supporting documentation, relating to the approval of a pathway on the southern foreshore of Lake Burley Griffin, including Australians of the Year Walk. I seek leave to give a notice of motion in relation to the proposal.

Leave granted.

Senator COONAN—I give notice that, on Tuesday, 16 August 2005, I shall move:

That, in accordance with section 5 of the Parliament Act 1974, the Senate approves the proposal by the National Capital Authority for capital works within the Parliamentary Zone, being the construction of a pathway on the southern foreshore of Lake Burley Griffin, including Australians of the Year Walk.

COPYRIGHT AMENDMENT (FILM DIRECTORS’ RIGHTS) BILL 2005
Report of Legal and Constitutional Legislation Committee

Senator EGGLESTON (Western Australia) (6.34 pm)—On behalf of the Chair of the Legal and Constitutional Legislation Committee, Senator Payne, I present the report of the committee on the provisions of the Copyright Amendment (Film Directors’ Rights) Bill 2005 together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

HIGHER EDUCATION SUPPORT AMENDMENT (ABOLITION OF COMPULSORY UP-FRONT STUDENT UNION FEES) BILL 2005
Report of Employment, Workplace Relations and Education Legislation Committee

Senator EGGLESTON (Western Australia) (6.34 pm)—On behalf of the Chair of the Employment, Workplace Relations and Education Legislation Committee, Senator Troeth, I present the report of the committee on the provisions of the Higher Education Support Amendment (Abolition of Compulsory Up-front Student Union Fees) Bill 2005 together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.
COMMITTEES

Rural and Regional Affairs and Transport Legislation Committee

Report

Senator EGGLESTON (Western Australia) (6.35 pm)—I present the report of the Rural and Regional Affairs and Transport Legislation Committee on the regulatory framework under the Maritime Transport Security Amendment Act 2005, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Membership

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—Order! I have received letters from party leaders seeking to vary the membership of committees and I inform honourable senators that I have received a letter from Senator the Hon. Sandy Macdonald resigning from the Parliamentary Joint Committee on ASIO, ASIS and DSD upon his appointment as a parliamentary secretary.

Senator COONAN (New South Wales—Minister for Communications, Information Technology and the Arts) (6.36 pm)—by leave—I move:

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

Community Affairs Legislation Committee—

Appointed—Senator Fielding
Participating member: Senator Hurley

Community Affairs References Committee—

Appointed—Participating members: Senators Fielding and Hurley

Economics Legislation and References Committees—

Appointed—Participating member: Senator Fielding

Employment, Workplace Relations and Education Legislation and References Committees—

Appointed—Participating member: Senator Fielding

Environment, Communications, Information Technology and the Arts Legislation and References Committees—

Appointed—Participating member: Senator Fielding

Finance and Public Administration Legislation and References Committees—

Appointed—Participating member: Senator Fielding

Foreign Affairs, Defence and Trade Legislation Committee—

Appointed—Participating members: Senators Fielding, Hurley, Sterle and Wortley

Foreign Affairs, Defence and Trade References Committee—

Appointed—Participating members: Senators Fielding, Hurley, Sterle and Wortley

Legal and Constitutional Legislation and References Committees—

Appointed—Participating member: Senator Fielding

National Capital and External Territories—Joint Standing Committee—

Discharged—Senator O’Brien
Appointed—Senator Lundy

Rural and Regional Affairs and Transport Legislation and References Committee—

Appointed—Participating member: Senator Fielding.

Question agreed to.
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ASSENT

Message from His Excellency the Governor-General was reported informing the Senate that he had assented to the bills.

AUSTRALIAN TECHNICAL COLLEGES (FLEXIBILITY IN ACHIEVING AUSTRALIA’S SKILLS NEEDS) BILL 2005

First Reading

Bill received from the House of Representatives.

Senator COONAN (New South Wales—Minister for Communications, Information Technology and the Arts) (6.37 pm)—I move:

That this bill may proceed without formalities and be now read a first time.

Question agreed to.

Bill read a first time.

Second Reading

Senator COONAN (New South Wales—Minister for Communications, Information Technology and the Arts) (6.38 pm)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

This bill implements the Government’s election commitment to establish 24 Australian Technical Colleges in identified regions throughout Australia. These Colleges will offer high quality training and facilities that will further strengthen Australia’s vocational and technical education system, and promote pride and excellence in the acquisition of trade skills.

Australia faces pressing skills needs in a number of traditional nation building trades. Failure to address this issue will have a detrimental impact
on the strong economy that we currently enjoy. For this reason it is vital that we attract more young people into vocational and technical education. Through this bill, the Australian Government will implement a new approach to attracting more young people into the trades and beyond to trade based self employment or small business opportunities. The Colleges will promote a career path in trade occupations in key industries as a valuable and rewarding option for young people, at least as valuable as those professions traditionally requiring a university qualification. By providing instruction linked to workplace requirements and offering high quality training and facilities, the Colleges will become centres of excellence in trade training where capable and committed students who are interested in pursuing a rewarding career can start their vocational training. The Colleges will play a pivotal role in raising the profile and status of vocational pathways in schools. Encouraging more young people to consider a career in the traditional trades and to participate in the training is a positive development for the training system as a whole.

Passage of this bill will enshrine the underpinning principles of the Australian Technical Colleges. The principal object is to address the skills needs of the Australian economy through the achievement of a number of key goals:

• promoting pride and excellence in trade skills training for young people; and
• providing skills and education in a flexible learning environment to build a solid basis for secure and rewarding careers; and
• adopting a new industry-led approach to providing education and training in partnership with local communities and meeting regional labour market needs; and
• establishing an industry-led governing body for each Australian Technical College that sets out its strategic directions and performance objectives, and selects the College principal; and
• providing trade training that is relevant to industry and that leads to nationally recognised qualifications through School-Based New Apprenticeships, and academic and vocational education that is relevant to trade careers and that leads to a Year 12 Certificate; and
• ensuring the autonomy of the principal of each Australian Technical College to manage the College, to select the best staff and suitable education and training partners and to meet the targets and performance measures set by the governing body of the College; and
• encouraging an environment of freedom and reward for effort for the staff of the Colleges through flexible employment arrangements which provide rewards linked to excellent performance; and
• providing employability and business skills to young people, recognising many successful graduates will operate their own business; and
• developing expertise in a range of industries in a region with the flexibility to meet changing workforce and local industry needs.

Passage of this bill will enable up to 7,200 Australians per year to undertake high quality education and training at an Australian Technical College. Students studying at the Colleges will be provided with tuition in trade-related vocational training, leading to a National Training Package qualification, and academic studies that will allow them to complete their senior secondary education. Students will commence a School-Based New Apprenticeship in a trade in an industry where there is a need. They will have a strong foundation to continue with their preferred trade after they complete year 12 but will also keep open the option of going on to further study if they so choose.

The bill will make available $343.6 million over the period to 2009 to support the establishment and operation of the 24 Colleges. This supplementary funding will support infrastructure development as well as the additional costs associated with the delivery of the specialised services that the Colleges will provide. This funding is over and above other general recurrent funding that Colleges will be eligible to receive from the Australian Government under the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Act 2004 and recurrent
funding provided by State and Territory Governments. All Colleges must be schools.

The bill will provide for funding agreements between the Australian Government and the State/Territory Government or ATC authority for the Colleges over the period 2005 to 2009 for the making of payments to establish and operate a College. The funding agreements will contain the conditions under which funding will be allocated to Colleges and include a schedule of the payments to be made to each College over the term of the agreement.

The bill therefore provides for agreements to be tailored to the needs and challenges of each region. While some governance and administrative requirements will be set as standard conditions in each funding agreement, the bill does not prescribe any particular model of operation. Each College will be able to operate in a manner that best meets the needs of industry and students in the region in which it is established. The Australian Government will consider any model that has the backing of local community and industry groups and which meets the broad requirements for the Colleges as set out in its discussion paper and Request for Proposal documentation.

This flexibility to tailor agreements to local needs will be especially important in the initial years of each College. Colleges may commence operations by offering training in a specialised trade that is of particular relevance to the local region and is in one of the industry groups which have been identified by the Australian Government as a priority. Over time, however, the College would be expected to broaden the range of trade training on offer, based on the needs of the local community.

The prescribed conditions that will be standard in each funding agreement will ensure that the Colleges provide specialist training of the highest quality. It will be a condition of funding that, by the time each College starts providing tuition to students, it meets all relevant State/Territory requirements for registration and accreditation, so that it can operate as a school and deliver curriculum leading to achievement of the senior secondary certificate of education. This will enable the Colleges to qualify for general recurrent funding from both the Federal and State or Territory governments.

Colleges must also either be a Registered Training Organisation in their own right or have links with Registered Training Organisations to ensure the delivery of quality vocational training, leading to a National Training Package qualification for students. User Choice funding will flow to Registered Training Organisations in the usual way.

The Colleges will be led by a governing body consisting of local industry and community representatives. Industry involvement is critical to the success of the Colleges. As a result, the skills taught to students will be directly relevant to the needs of local industry, enhancing young people’s prospects for further training and employment. This in turn supports the long term prosperity of the region in which the Colleges are located and assists Australian businesses to remain competitive in a global economy.

The College principal will have the autonomy to manage the operations of the College, and will be responsible for meeting the targets and performance measures that are set by the governing body and for the employment of staff. To ensure that Colleges are able to attract and retain staff of the highest quality, the principal will offer staff the option of an Australian Workplace Agreement. Through these agreements the Colleges will offer staff rewards for performance, such as performance pay, and other attractive working conditions.

There will be an Australian Technical College in each of the 24 identified regions by 2008, with implementation phased over the period from 2006. A formal request for proposal process will be completed by mid 2005. It is anticipated that a small number of Colleges will commence operations in 2006. These are likely to be existing schools which have strong support from local community and industry organisations and ready access to required teaching facilities. In July 2005 I will announce the Colleges which will commence operations in 2006. The remaining Colleges will commence in 2007 and 2008 and may include greenfield sites. These will be announced by the end of 2005.

The 24 regions that the Australian Government has identified for establishment of the Colleges all face particular challenges in relation to the
availability of trade skills and will clearly benefit from the establishment of a College. They were selected by taking into account a number of factors, including the existence of a strong industry base, skills needs and the level of youth unemployment.

The Australian Government is committed to raising the profile of vocational and technical education. Attracting young people to trade-related professions is vital for Australia’s future and is an important step in providing the long term skills needs of industry. The Australian Technical Colleges initiative offers a new approach to achieving this, and forms an important part of the Australian Government’s strategy for tackling skills needs. The Australian Technical Colleges will promote trade qualifications as a highly valued alternative to a university degree and, over time, will develop a reputation that will show students and parents that vocational and technical education provides access to careers that are secure, lucrative and rewarding.

I commend the bill to the Senate.

Debate (on motion by Senator Coonan) adjourned.

MEDICAL INDEMNITY LEGISLATION AMENDMENT (COMPETITIVE NEUTRALITY) BILL 2005

MEDICAL INDEMNITY (COMPETITIVE ADVANTAGE PAYMENT) BILL 2005

HUMAN SERVICES LEGISLATION AMENDMENT BILL 2005

First Reading

Bills received from the House of Representatives.

Senator COONAN (New South Wales—Minister for Communications, Information Technology and the Arts) (6.38 pm)—These bills are being introduced together. After debate on the motion for the second reading has been adjourned, I shall move a motion to have one of the bills listed separately on the Notice Paper. I move:

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

Question agreed to.

Bills read a first time.

Second Reading

Senator COONAN (New South Wales—Minister for Communications, Information Technology and the Arts) (6.39 pm)—I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

MEDICAL INDEMNITY LEGISLATION AMENDMENT (COMPETITIVE NEUTRALITY) BILL 2005

The Bills are necessary to ensure the viability and sustainability of the medical indemnity industry. The Australian Government was forced to intervene in the medical indemnity market in 2002 when the United Group—United Medical Protection (UMP), and its registered insurer, Australian Medical Insurance Limited (AMIL) —went into provisional liquidation. Several factors contributed to this situation. But the most significant was the practice whereby some Medical Defence Organisations (MDOs) had not recognised ‘incurred but not reported’ or (IBNR) liabilities on their balance sheets. This meant that they had insufficient capital to meet their full liabilities.

If United had gone into full liquidation, nearly 60 per cent of Australia’s medical practitioners would potentially have been without medical indemnity cover. The Government acted quickly to avert this potential crisis.

We introduced a short-term guarantee for all of United’s liabilities, followed by the IBNR Indemnity Scheme and the High Cost Claims Scheme. Notably, the IBNR Indemnity Scheme provided coverage of claims for which MDOs had failed to make adequate provisions. At the time, United’s unfunded liabilities were estimated at $460 million.
The Government’s rescue package allowed medical practitioners who were members of United to continue to practise without fear of losing their personal assets as a result of litigation against them. Stabilised by the rescue package, and especially by the IBNR Indemnity Scheme, United came out of provisional liquidation in November 2003. United was effectively brought back from the dead—a rare feat by today’s standards. And it was fortunate to have kept its independence through this tumultuous period in its history.

This brings me to the reason the Government is introducing these Bills. Within twelve months of coming out of provisional liquidation, AMIL announced that it would substantially reduce its premiums for 2005. This unexpected move sent a shockwave through the medical indemnity industry. It signalled that United had returned to a position of financial strength much sooner than expected by anyone. The move also sparked concerns that United may have a competitive advantage due to the Government’s rescue package for the industry.

This Government is not in the business of ‘picking winners’ in a competitive market. Because of this, on 17 December 2004, we commissioned an independent review of competitive neutrality in the medical indemnity insurance market. We want to ensure that all medical indemnity providers operate on an equal footing. No medical indemnity insurer should gain a competitive advantage from assistance provided to make insurance for doctors secure and affordable.

The independent review was headed by Mr Graham Rogers, the former head of the Institute of Actuaries of Australia. Mr Rogers, who provided his report to the Government on 15 March, concluded that the Government assistance provided was extremely valuable in stabilising the medical indemnity industry. However, he also concluded that United had gained a competitive advantage from the IBNR indemnity scheme, and furthermore, that it was appropriate to act to address the competitive advantage. The Government has accepted the findings of Mr Rogers’ report and we thank him for his considered work on this issue.

Having accepted the findings of the review, the Government must take action. The IBNR scheme was not devised to distort the medical indemnity playing field. However, the evidence shows that it has, and without corrective action, it could destabilise the medical indemnity market, and thereby threaten the operation of our health system. Let me be very clear about this—the Australian Government will not stand by and watch this happen.

Too much is at stake. Of primary concern are the interests of patients and doctors and the viability and sustainability of the medical indemnity industry.

The Medical Indemnity (Competitive Advantage Payment) Bill 2005 will eliminate the competitive advantage enjoyed by insurers associated with MDO’s benefiting from the Government’s IBNR package by requiring them to make a series of payments over ten years to the Australian Government. The amount of the payments will be set annually, having regard to the outstanding net IBNR exposure for each MDO and a percentage set in regulations.

We intend that the percentage will be set having regard to the formula set out by Mr Rogers in his report. However, to ensure that the Government can respond flexibly to emerging circumstances the percentage will be set annually. If a regulation is not made, no payment will be required in that year. As a result there is no need for insurers to carry on their balance sheet a liability relating to payments that may be required in future years.

In recognition of the payments to the Government by insurers, the associated Medical Indemnity Legislation Amendment (Competitive Neutrality) Bill 2005 reduces the payments that doctors need to make under the UMP support payment scheme. Contributing doctors will have their annual UMP support payments reduced by $1,000 for the third and fourth years of the scheme, after which the scheme will come to an end. This means that from next year some 7,000 of the 17,000 doctors currently making payments will no longer be required to do so, while the liability for many other GPs will be reduced to a few hundred dollars for two years.

This legislation ensures that the medical indemnity market will operate on a competitively neutral basis into the future, providing insurance to doctors on a sustainable basis.
MEDICAL INDEMNITY (COMPETITIVE ADVANTAGE PAYMENT) BILL 2005

This Bill contains machinery provisions relating to the assessment and administration of the competitive advantage payment imposed under the Medical Indemnity (Competitive Advantage Payment) Bill 2005.

It also reduces payments required of doctors under the UMP support payment scheme.

HUMAN SERVICES LEGISLATION AMENDMENT BILL 2005

This Bill amends the Health Insurance Commission Act 1973 and the Commonwealth Services Delivery Agency Act 1997 by making changes to the governance structures of Centrelink and the Health Insurance Commission.

These changes form part of the implementation of the Government’s response to the review of corporate governance of statutory authorities and office holders that was conducted by Mr John Uhrig.

The primary purpose of the report by Mr Uhrig was to identify ways in which corporate governance might be improved and to provide the Government with options for increasing accountability and ensuring high levels of performance of government agencies.

As part of his report, Mr Uhrig developed two templates for assessing statutory authorities—a “board” template for use where the Government was prepared to delegate full power to the statutory authority to act independently from Government and an “executive management template” for use in other cases.

Mr Uhrig recommended that a governance board should only be utilised in relation to a statutory authority where the Government was willing to delegate “full power to act” to the authority.

The Government released its response to Mr Uhrig’s report on 12 August 2004. The Government endorsed Mr Uhrig’s recommendation that governance boards should be utilised only where they can be given full power to act. The Government also announced that it would assess all statutory authorities and other bodies using the Uhrig templates.

Mr Uhrig said in his report, “the HIC and Centrelink are both established to provide services to the community on behalf of government, through Commonwealth Agencies. However the HIC is established with a Board and is covered by the CAC Act, while Centrelink is covered by the FMA Act and unusually, is also governed by a Board. Apparently, given the need to strengthen the Government’s power of the Centrelink Board, the Financial Management and Accountability Regulations 1997 establish the chairman of the board as the chief executive for FMA Act accountability purposes. However the actual chief executive officer is the Agency head for PS Act purposes. This situation creates an anomaly of having two chief executives for accountability and governance purposes.”

Centrelink and the Health Insurance Commission are service delivery organisations that are funded from the public purse.

The organisations are responsible for the delivery of very large and important government programmes, worth over $82 billion dollars annually. Through this delivery, Centrelink and the Health Insurance Commission touch the lives of nearly all Australians. The programmes and services they deliver are the essential glue that keeps the social fabric of the Australian community together.

Because of this vital role, these agencies need to move closer to Government to ensure that their daily operations deliver the outcomes that Government, and the taxpayer, expect.

Indeed, it is important that the organisations be brought under strong Ministerial control. With this in mind, the Government assessed both Centrelink and the Health Insurance Commission against Mr Uhrig’s executive management template. This assessment suggested that a number of governance changes should be made to both organisations. This Bill implements those changes that require legislative amendment.

A key change made by this Bill is the removal of the governance boards for Centrelink and the Health Insurance Commission. Both Boards have served their organisations diligently over many years, and the Government is grateful for the commitment of the current and former members of the Boards who have contributed so much of
their time and expertise. However, neither Board can be fully effective, as neither Board has, or could realistically be given, full power to act completely independently of Government when they are delivering core government services.

Following the changes to be made by the Bill, the management of both organisations will be vested in a Chief Executive Officer. These Chief Executive Officers will have clear and direct accountability for the performance of their organisations. Efficient organisations are professional, well organised, have excellent management control, are able to remedy problems quickly and are responsive to customer and stakeholder concerns.

Through these changes there must be a greater focus on cost effectiveness and better management of financial resources too—in particular using purchasing power to produce better outcomes for less money.

A significant challenge is to ensure the agencies in Human Services continue to deliver the already long list of existing government programmes whilst undertaking the changes necessary to achieve our goals.

Simplicity in both service and vernacular should help us achieve our goals. For example, given that the Health Insurance Commission will no longer be a Commission, it is appropriate to change its name. This Bill will establish Medicare Australia to replace the Health Insurance Commission. The Medicare name is well known by almost all Australians and the new name will help customers to identify readily with the organisation.

Mr Uhrig also recommended that, generally, the Financial Management and Accountability Act 1997 financial framework should be applied to bodies which do not require a governance board. The Government has accepted this recommendation and, accordingly, the new Medicare Australia will be a prescribed Agency under the Financial Management and Accountability Act 1997. The Bill will also provide that the staff of Medicare Australia will be engaged under the Public Service Act 1999, along with the majority of other public servants.

By bringing Centrelink and Health Insurance Commission as well as my other agencies under the one umbrella of Human Services, we have the opportunity for the first time, to review how they operate from a customer perspective. We must repeatedly ask whether the original policy intention is carried through in the delivery of the programmes.

Part of this process is pinpointing each agency’s core functions and constantly measuring its performance against the objectives of Government’s commitment to efficient service delivery.

As Mr Uhrig said, “Departments are the primary source of public sector advice to Ministers and are best placed to support Ministers in the governance of statutory authorities. In this respect, the Portfolio Secretary has a role akin to an advisory function within a parent company in providing advice to the CEO about the activities of the company’s subsidiaries.”

The governance changes to be made by the Bill will be complemented by other changes that do not require legislation.

The Government will be issuing Statements of Expectation to the Chief Executive Officers of Centrelink and Medicare Australia to clarify expectations and the Chief Executives will be replying with Statements of Intent. These documents will be made public.

The Department of Human Services will analyse information about the performance of Centrelink and Medicare Australia and provide advice to the Government. The Chief Executive Officers will report to me through the Secretary of the Department of Human Services.

The Government will also, at the appropriate time, be establishing a Human Services Advisory Board to ensure that it receives advice from relevant sectors of the community about delivery issues and service improvement proposals in the human services area. All of these initiatives form part of the Government’s implementation of the Uhrig report.

Our 20 million customers have little regard for sectoral and bureaucratic differences. Instead they just expect the Government to deliver services in a timely, efficient, cost effective and easily understandable manner. Changes brought into effect by this Bill will assist the Government to deliver on that expectation.
The changes made by the Bill will improve accountability and enhance the performance of both of these important organisations. The outcome will be a better level of service to Australians. I commend the Bill to the Senate.

Debate (on motion by Senator Coonan) adjourned.

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

Ordered that the Human Services Legislation Amendment Bill 2005 be listed on the Notice Paper as a separate order of the day.

### MIGRATION AMENDMENT REGULATIONS 2005 (No. 6)

#### Motion for Disallowance

Senator BARTLETT (Queensland) (6.40 pm)—I move:

That the Migration Amendment Regulations 2005 (No. 6), as contained in Select Legislative Instrument 2005 No. 171 and made under the *Migration Act 1958*, be disallowed.

We will not get through the debate on this today; I guess it will be finalised tomorrow. In many ways this continues on from the contribution I just made going to the heart of some of the issues addressed in the Palmer report on the inquiry into the circumstances of the immigration detention of Cornelia Rau. That might seem like a bit of a leap when dealing with this regulation, which excises thousands of islands around the coast of Australia from the migration zone and has the effect of basically preventing any unauthorised noncitizen in those places from making a claim for a protection visa, or any other visa, under the Migration Act.

You might say: what has that got to do with Cornelia Rau, who was not an asylum seeker at all? She, of course, was an Australian resident detained inappropriately. The common link is the issue of the rule of law, which I was talking about, and the real problems that were identified in the Palmer report around the culture of the immigration department, which was driven, in my view, by the government’s policy and rhetoric—not least the Prime Minister’s rhetoric. The sorts of extreme human tragedies and disgraceful outcomes that have occurred are a direct consequence of the existing laws and the department’s inability to operate in a humane and justifiable way within those laws. Knowing what we know about the immigration department’s inability to act effectively, coherently, with integrity and fairness and a duty of care within the existing laws, not just from the Palmer report but from many other things that have come to light in recent months—and over a longer period of time—how much more dangerous is it to allow regulations through that give the government and Commonwealth officers, including the department of immigration, the ability to operate completely outside any legal framework at all? That is the key thing these regulations do. That is what the excise of islands from the migration zone means. That is why this is such a fundamentally important matter.

In some respects it could be suggested that this is not that crucial. There have been no boat arrivals of asylum seekers in recent times—which is a good thing—so it is not likely to affect many people. Most of the islands that are going to be excised are not where asylum seekers are likely to land. I think the islands to be excised go all the way down the Queensland coast to about the Tropic of Capricorn near Rockhampton, so all of those islands—the Barrier Reef islands et cetera—are completely irrelevant in terms of the migration zone and where people are likely to arrive. Similarly with most of the other islands involved—the mainland is much closer for most people who would be coming. In that respect, it is basically a symbolic action on the part of the government.
Part of it is to create the perception, an almost subconscious perception, of a barrier around the top of the country—that all of the islands around the top of the country that are not really part of the migration zone are like a protective barrier. The fact that the vast majority of them, 95 per cent of them, are not islands that any asylum seekers are ever going to go near is beside the point. It reinforces the notion that we need to be protected from these people, a notion that goes deep into the psyche of Australian history, of course. The White Australia policy was one of the things that drove Federation itself and the needs of the colonies to draw together into one nation.

But the facts are that we do not need a protective barrier, they do not provide a protective barrier and there is nothing particularly special about an island in any legal sense. That is why the principle is so important, because these regulations say that it is okay for parts of Australia. In this case it happens to be islands, but there is nothing legally or constitutionally special about islands. The same could apply to any part of Australia in a legal sense. In effect, this withdraws part of Australia from the refugee convention in all but name. It removes the refugee convention from the Migration Act or from having any legal application. We are still signed up to it in an international sense but it no longer has any legal application. No longer would any refugee in these parts of Australia have any legally enforceable right. It takes away a legally enforceable right for somebody to seek protection from persecution. That, I suggest, is an extremely serious action.

It is also about the principle that the Migration Act, with all its flaws—and God knows it has got a few—is clearly not applying at all in that area; the law does not apply in relation to migration issues in these parts of Australia. It is saying that laws do not have to apply. Commonwealth officers can operate outside the law in these chunks of Australia, around which we just happen to draw a line. In this case we draw a line around the islands. We could draw it through the middle of Australia. We could recreate the Brisbane Line. We could just make it the ACT or, as has been suggested, we could just put the carpet in front of the minister’s desk and say, ‘Until you get to there, you cannot claim asylum.’

As the only member of this Senate who has been to Nauru, where this policy, if you like, applies in practice, I know the human cost, and the financial cost—for people who simply want to take that approach to it—to Australia of this whole system. The Australian government says it still applies its obligations under the refugee convention and people who get to these islands and seek asylum will not just be flicked back; they will be assessed, according to this government’s policy, by Immigration officials under their interpretation of the refugee convention.

Firstly, there is nothing to stop any future government from ignoring that and flicking people back even if they do get to Australia. Secondly, there is no legally enforceable right to any appeal. We saw on Nauru that people were assessed by Immigration officers under their interpretation of the refugee convention. If they failed, they appealed to another DIMIA officer, and that was that. If there was enough political pressure from people in Australia or enough representation to the minister, then they were reassessed again by another DIMIA officer. In some cases, after further pressure and further concern and further information coming to light, they were reassessed again by another DIMIA officer.

I have seen the paperwork of some of these assessments—the paperwork of people whose claims have been assessed—and deci-
sions that are just cut-and-paste jobs from previous decisions. They are appalling, sloppy, incompetent—to be polite—processes. Under any form of independent assessment—even the flawed ones in Australia—they would not have lasted a second. But the people who did those assessments knew that they would not be independently assessed so, inevitably, particularly with political pressure being applied, they did a sloppier job because they knew they were not being watched. They knew there was a chance—it is not what turned out to be the case—that those assessments would never be seen by anybody. The asylum seekers were meant to be failed and then pressured to go back straightaway.

It is clear evidence that when you do not have those independent checks and balances your decision-making quality declines massively. In issues like this where we are, by definition, dealing with life and death issues, that is completely unacceptable. Again, when we have the evidence before us with the Palmer report of how badly we handle things under a legal framework, how much more appalling is it to have regulations put in place that will actually allow government officers to operate outside the legal framework?

Debate interrupted.

DOCUMENTS

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—Order! It being 6.50 pm, the Senate will proceed to the consideration of government documents.

Department of Agriculture, Fisheries and Forestry

Senator BARTLETT (Queensland) (6.50 pm)—I move:

That the Senate take note of the document.

This document details livestock mortalities for sea exports for the reporting period for the first part of the year. This is a recent initiative, so in that sense I should congratulate the government for the transparency involved in providing these statistics directly to the parliament. It does show statistics and percentages that are below what has been the case in the past. In that sense, I think it is a positive situation, but it also shows the enormity of the numbers that are involved. The size of some of those shipments is really quite staggering, particularly with regard to sheep, where you have shipments of 90,000 or 100,000 animals at sea for over three weeks, or 25 days in some cases. So even when you have a one per cent mortality rate you are still talking about up to 1,000 animals dying on the voyage.

A lot of people say, ‘They’re going to die anyway when they get to the other end. What difference does it make?’ I think there are two key issues there. Firstly, nobody should underestimate how stressful transportation is for large animals, for livestock. We are not talking about flies here. We are talking about mammals—large mammals; sentient mammals—that are clearly capable of significant suffering. They are usually animals that have firstly had to spend a number of days on trucks. I have seen some of those trucks going into the port—for example, at Fremantle. They are not having fun, those animals, I can tell you. Then they get herded onto an enormous carrier and spend another three to four weeks at sea before they get offloaded at the other end.

Parliamentarians can no longer pretend that we do not know what happens to the animals at the other end, because people have taken the trouble to go there and film what happens and it has been screened on television in Australia. We know that those animals are subjected to breathtaking cruelty, which is literally almost impossible to watch—certainly if you have a squeamish
stomach. The mechanisms that are used for slaughter are appalling in their cruelty.

It shows that the fraudulent excuse often used to justify this trade for many years—that we had to ship them live because they had to be slaughtered in a way appropriate for halal purposes—clearly does not apply in many cases, and there is documented evidence of that. I should also emphasise that we have halal certification in Australia and indeed there was a very significant increase in the amount of carcase meat and frozen meat that went to Saudi Arabia during the period when the live export trade was halted. So the fraudulent claim that there is no market for this slaughtered meat is wrong.

I recognise that the owners of the livestock get extra money up front for live trade and that is why they do it—that is the way economics works. But to say there is no market there for slaughtered meat is wrong, to say that they have to do it there in a halal way is wrong; to say it does not take jobs in Australia is wrong. All of those things are incorrect. All of them have been used to justify this trade which, I should remind the Senate, a committee of this chamber found 20 years ago should be halted on welfare grounds. The committee found that if the trade was being assessed purely on animal welfare grounds, it should be halted.

I believe there are plenty of other alternative trades available, in terms of both economic and job opportunities. If they had the same amount of money and energy put into them, they would clearly have just as much economic value for Australia and would certainly mean dramatically reduced animal suffering. I would also remind the Senate of a significant court case before the courts in Western Australia alleging breaches of the Animal Cruelty Act over there, despite efforts of governments to turn a blind eye for many years.

While the decline in mortality revealed in these statistics is welcome, I do not think that they should be in any way used as a cloak to suggest that the cruelty and suffering are not still happening. I note for the Senate’s benefit that I today moved a disallowance motion on the instrument that reinitiated the live animal trade to Saudi Arabia. I do not expect that to succeed, but it is important to have that debate and for people to put on the record their views about that particular issue. I also remind the Senate that this is an issue that has had more expressions of public concern via signatures on petitions than any other issue in the last three or four years. It is an issue that concerns a lot of Australians. It is an issue that people have been turning a blind eye to for far too long. (Time expired)

Question agreed to.

**Office of the Gene Technology Regulator**

Senator BARTLETT (Queensland) (6.56 pm)—I move:

That the Senate take note of the document.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**ADJOURNMENT**

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—Order! It being 6.57 pm, I propose the question:

That the Senate do now adjourn.

**Regional Relations**

Senator PAYNE (New South Wales) (6.57 pm)—I want to make some observations this evening on several matters regarding Australia’s regional relations in particular. Firstly, I note with pleasure that Australia will be attending the East Asia Summit in Kuala Lumpur in December. That is a very important opportunity for Australia to participate in a key regional forum. In fact, the development of the focus in East Asia is one we have been watching very closely for
some time. This is a very important part of
that process.

I was also very pleased recently to see that
the expertise of a certain prominent Aus-
tralian formerly of another place continues to
be harnessed even though he has left that
place. On 29 June, the Minister for Foreign
Affairs announced the establishment of the
Australia-Thailand Institute, which is in-
tended to further the bilateral relationship
between Australia and Thailand and to ex-
 pand the links between our two nations. The
head of that new institute will be the emi-
nently well qualified former Deputy Prime
Minister and Minister for Trade, Tim Fischer
AC.

I have personally always very much val-
ued Mr Fischer’s advice and his knowledge
and leadership in international affairs gener-
ally but most particularly in relation to our
region—and, prominently, his experience
and his interest in Thailand also. He was in
fact pivotal in my own introduction to Thai-
land. I was encouraged to engage with col-
leagues and associates and form very impor-
tant and ongoing relationships with that par-
ticular country. As Minister for Trade, he
continued that very important groundwork.
His leadership and his personal knowledge
will bring a particular character to the insti-
tute and will enable us to develop that very
important relationship.

He joins with a number of other promi-
nent Australians on the institute. Its execu-
tive committee will also include Dr Vijoleta
Braach-Maksvytis, Director of CSIRO
Global Development; Mr Mike Court
nall, President Asian Building and Manufac-
turing Markets of BlueScope Steel; Mr Peter
Hendy, Chief Executive Officer of the Aus-
tralian Chamber of Commerce and Industry;
Mr Doug Hall, Director of the Queensland
Art Gallery; Prue Holstein, Executive Direc-
tor of the Asia Society; Professor Tony
Milner, Dean of Asian Studies at the Aus-
tralian National University; and Sidney Myer of
the Myer Foundation. The membership of
the executive committee is very varied, and I
think that shows the depth and breadth of our
relationship with Thailand, including culture,
business, agriculture and technology. The
very basis of our important relationships in
Asia developed there. I am pleased to make
those observations.

We will also of course be furthering our
engagement on a trade basis through the FTA
which commenced its operation in January.
We have a number of endeavours in counter-
terrorism and law enforcement with Thai-
land. It is a very important issue in this re-
gion at this time, as many commentators are
saying at the moment. The work on the
agreement on bilateral cooperation, which
was signed by our respective governments
last July, will also strengthen special oppor-
tunities in science and technology, public
sector reform and the environment.

There is also another matter of ongoing
interest to me. I would like to make some
observations concerning the international
effort, and Australia’s role at the forefront of
that in our region, to address the challenge
that HIV-AIDS presents regionally. Recently,
in July, we sent a delegation to the seventh
International Congress on AIDS in Asia and
the Pacific, known as the ICAAP. The sixth
ICAAP was held in Melbourne a couple of
years ago. It was a very successful and im-
portant initiative for Australia to host. It is a
key meeting for stakeholders in our region to
share information and to share experiences in
fighting the epidemic.

One of the reasons that the ICAAP works
so well is that it is not just about well-paid
experts and internationally known faces and
figures making their views public and having
an opportunity to speak about the issue; it
involves so many people from the Asia-
Pacific region, where we face such a significant challenge. Australia sponsored over 50 participants from developing countries who otherwise would never have had the chance to attend. I think that is a very tangible aspect of our work in this area. Our special representative on HIV-AIDS, Annmarie O’Keeffe, who does an exceptional job in that role, was also able to chair a session of the congress—part of the recognition of leadership as a key component in the effective response to HIV-AIDS. That relates directly back to the role of the Asia-Pacific Leadership Forum on HIV and the work that they are doing.

I want to congratulate the organisers of the seventh ICAAP, held in Kobe in Japan last month. I particularly note the involvement of Marina Mahathir, who was a member of the congress’s International Advisory Committee. She is currently president of the Malaysian AIDS Council and chairman of the board of trustees of the Malaysian AIDS Foundation. The role she plays in this region cannot be underestimated. I recently had a useful opportunity to catch up with Marina Mahathir to discuss the work that she is doing in this area and, most particularly, the importance of addressing the challenge that we face in the Asia-Pacific.

There are already more than eight million people in this region living with HIV-AIDS, so we must have a broad, continuous, consistent commitment to implementing effective measures to halt the development of HIV. In fact, it is interesting to note that a lot of the media observations on the spread of HIV internationally still focus on Africa and the extraordinary and devastating effects of HIV there. But regionally I think it is very important for us as a parliament and as a nation to turn our minds to the devastating potential that exists in the Asia-Pacific and the role that Australia and other countries are playing in addressing that. As it grows in the Asia-Pacific, there are calls to declare the situation a global priority here, just as it is in Africa.

The impact on women is extraordinarily significant. Globally, young women now make up over 60 per cent of 15- to 24-year-olds living with HIV. So the imbalance of economic status, education and power between men and women in these areas is having a direct impact on the rate of female infection and their capacity to look after and protect themselves. In fact, Peter Piot, who is the executive director of UNAIDS, noted recently that the imbalance has had a very devastating effect in the Asia-Pacific. In this region, 30 per cent of young women are married before the age of 15 and 62 per cent are married before the age of 18, often to much older husbands. In many countries in our regions, it is husbands in those partnerships who represent the primary source of infection, not just for their wives but for other women. These are extraordinarily difficult issues to grapple with culturally, socially, politically, economically and in security terms.

The pursuit that we have taken in this region, through the Asia-Pacific Leadership Forum, through the work of our HIV-AIDS special representative and through the ongoing work of AusAID is a very important component to addressing some of these challenges. I want to note that we contributed a further $20 million this year to the work of the Global Fund to Fight AIDS, Tuberculosis and Malaria as part of our ongoing $75 million commitment to that fund. I met slightly earlier in the year with Dr Richard Feachem, the executive director of the global fund. He emphasised to me at the time the importance of Australia’s ongoing leadership role and the importance of our continuing with that role.

I would also like to note in the Senate and to welcome the appointment of a very impor-
tant Australian participant in the global fund. Recently Helen Evans was appointed to serve as the global fund secretariat’s first deputy executive director. Her role will be to oversee the performance and management of the fund’s secretariat, which reflects the rapid growth of the organisation, including its expanding portfolio of grants in over 128 countries. To date the global fund has committed in excess of $US3 billion to support aggressive interventions against HIV-AIDS, TB and malaria. The positives for us in having an Australian in such a key role are obvious. It is an important level of engagement, and it is a testament to the drive and professionalism of all Australian personnel who are working on these issues that they generally—and obviously Helen Evans specifically—are held in such high regard.

I want to note in the brief time remaining to me some aspects of the recently released final report on the Regional Assistance Mission to the Solomon Islands, known as RAMSI. That report by the eminent persons group which was appointed by the Solomon Islands forum, at the request of Prime Minister Sir Allan Kemakeza, came to public note in July. It highlights the progress made by RAMSI in two years—very important progress in relation to law and order, counter-corruption measures and so on. It is also important to note in the Senate that there is still much work to be done and we welcome Australia’s participation. (Time expired)

Battle of Fromelles

Senator MARK BISHOP (Western Australia) (7.07 pm)—I rise this evening to commemorate the Battle of Fromelles, which lasted only 12 hours, 89 years ago on 19 July 1916. I have spoken on this matter on a number of occasions previously in my former capacity as shadow minister for veterans’ affairs. In my new capacity as shadow minister for defence industry, procurement and personnel, this continues to be a matter of some relevance. The continuing relevance is that the investigation of missing defence personnel is the responsibility of each of the three services. Once located, remains are then handed over to the Office of Australian War Graves, but funeral arrangements remain as a matter of course with each of the three services. Responsibility for war graves and all veterans’ matters now rests with my colleague Mr Griffin in the other place, and I wish him well. I note that Mr Griffin visited Fromelles recently and so is fairly familiar with the subject. I mention in passing that Mr Griffin’s grandfather was a reinforcement to the seriously depleted 20th Battalion from Victoria, which took such heavy losses at Fromelles that evening.

My remarks on this subject, therefore, are simply to report developments in this rather interesting matter. At Senate estimates in February of this year, I raised the question of the 163 missing Australians from this battle with the Chief of Army, Lieutenant General Leahy. Senators may have read recently in the Victorian press or the general press of the ceremonial burial of four Australians killed on the Western Front uncovered outside the town of Merris. In recent press, the minister also announced the formal burial of four of the six Australian crew of a Lancaster bomber shot down over Germany in 1944. Some may also recall the recent identification and recovery of some of the remains of 29 personnel killed in a crash high in the mountains of West New Guinea on 18 September 1945.

It is gratifying, therefore, to know that the spirit of respect for those lost in the past continues to be honoured. This contrasts somewhat with this ongoing saga with respect to Fromelles. Historically, Fromelles and some of its results were covered up. It was Australia’s first engagement in France and the worst ever in terms of lives lost. Almost
2,000 men were killed in 12 hours of conflict. The difficulty at Fromelles in later years has been one of evidence, or the lack of evidence. There is no doubt whatsoever that the 163 missing never found after the war were killed and buried by the German army. The Red Cross records obtained by Captain Mills of the Australian Army from German records in 1919 make that clear. These can in fact be seen online from the Australian War Memorial web site. Where the remains of the 163 were buried is the riddle.

Thanks to the commitment given to me at Senate estimates by Lieutenant General Leahy, an expert panel was convened by the Army historian, to examine the relevant evidence. Members of that panel were and are eminent academics in the field of military history. They included: Professor Bill Gammage, Professor John Williams, Acting Professor Iain Spence, Professor Jeffery Grey, and Dr Peter Stanley, to name only a few eminent persons. I think it is fair to say that this matter has now been given a very fair and detailed examination.

Members of the Friends of the 15th Brigade, who have been most active in pursuing this case, made their presentation to that eminent panel. This included aerial photographs of the mass grave site at Pheasant Wood just outside the township of Fromelles shortly after the battle was concluded. These photos starkly show the site which is passed by a German light railway. It is this railway that may have been used to transport the bodies from the German trenches where they fell that evening. It will be very pleasing to all those interested in Fromelles that this eminent panel considered the evidence quite favourably. I add that, apparently, this process is necessary because, to be blunt, there are no bones. More to the point, it is almost impossible these days to get approval to look and to search. This process therefore contrasts with other recoveries, such as those mentioned where wreckage or human remains are physically evident.

At Fromelles, however, while positive evidence is limited, there is no evidence to the contrary. The resting place of the 163 is unknown. That is, there are no records confirming the recovery parties after the war of exhumations and reburial. A simple answer in this case would be to simply examine the site with ground penetrating radar. This would reveal the presence of organic matter. That, though, it seems would be too easy. Putting simple practicality aside though, it is good news that the panel investigating this matter recommended further research.

Importantly, it has been agreed that a researcher should be appointed to investigate the records of the Bavarian division of the German army. It is this group which is believed to have been responsible for recovering all the dead in the days following the cessation of hostilities after the battle. They occupied that sector of the German front at that time. The person tasked to do this important research is Mr John Williams, who is a Sydney based author and historian familiar with German military records.

Furthermore, the panel recommended that further research also be done to research the records of the recovery units which operated in the area after 1919. This includes an approach to the Commonwealth War Graves Commission at Maidenhead in Britain to check their records. On the latter, however, no information means that the riddle remains alive. The only evidence sufficient to quash the Pheasant Wood hypothesis is positive evidence of recovery after the war. I must say that I am somewhat curious that the British are not just a little more interested. I am advised that 312 British soldiers were never recovered from the battle of Fromelles. They may also have been buried by the same Ba-
varian regiment and perhaps in the same places. All were simply titled 'Englanders'. To paraphrase Kipling in another context, a piece of France remains forever British, or forever English.

May I close by expressing my thanks to Lieutenant General Leahy, the Chief of Army, for initiating this process of research. Might I also congratulate those members of the Friends of the 15th Brigade in Melbourne who struggled hard against the bureaucratic odds to get this far. It is important to remember that 2006 marks the 90th anniversary of Fromelles. I sincerely hope that every effort can be made to resolve the Pheasant Wood riddle well before that. I also hope of course that the bureaucratic resistance, which has been somewhat in evidence to date, wherever it has occurred—in Australia, Great Britain or France—is quickly cut through and that by this time next year we have a clear and defined result. I certainly know that many relatives of those who died that terrible night on 19 July 1916 would also like to know. Most of these people are great-nephews and great-nieces of those who died, and they would like to know simply because many of these young men were young and single and had not yet started on the path of marriage and parenthood. They were then the cream of Australia’s youth and that is why we will commemorate them in due course.

West Papua

Senator STOTT DESPOJA (South Australia) (7.16 pm)—I rise tonight to mention an issue that I have brought to the attention of the chamber before, and that is the issue of human rights violations in West Papua. Tonight I want to take the opportunity to record my deep concern about recent reports of serious, escalating violence in that region.

In the past few weeks, I have received numerous and disturbing reports from individuals, non-government organisations and church groups from within West Papua. Each of these reports expressed grave fear over an increased presence by the Indonesian military, as well as a dramatic escalation in violence and intimidation. The reports included widespread reports of human rights violations, including the burning down of entire villages, and intimidation, shooting and torture of the Papuan people. Alarmingly, these reports also indicate that militia are currently being trained by the Indonesian military and, indeed, lists of West Papuans are being compiled. And I do not need to elaborate for the chamber what can be done with such lists.

The recent passage of a bill through Congress in the United States, asking the Secretary of State to report on the 1962 handover has actually drawn worldwide attention to West Papua—though maybe not as much attention from Australia as we would like. Furthermore, the congressman who initiated the bill, Eni Faleomavaega, called on the Australian Prime Minister to seriously rethink our government’s approach to policy involving West Papua. Given this call, this is a timely opportunity for Australia to consider this option. It astounds me that we are not even having this debate; instead, Australia—and both major political parties, I might say—shelter behind the notion of the protection of Indonesian sovereignty. That is all well and good, but we cannot afford to ignore violations of human rights that may, or may not, be occurring on our doorstep.

So my plea tonight is to the Australian government to seek a response from the Indonesian government, and indeed the Indonesian military, as to the veracity of these reports. And if this is indeed taking place then Australia has every right to raise this issue, not just here, not just with Indonesia, but in the region.

Throughout Papua, as many senators would know, there is great disappointment at
the apparent failure of the special autonomy law. Special autonomy was intended to bring about a peaceful resolution of the problems in West Papua and promised the Papuan provincial government up to 80 per cent of the revenue that was previously going to Jakarta, and indeed to the military, from Papua’s enormous resources. It has been in force since January 2002, but special autonomy seems to have had little impact on the living conditions of Papuans. On the contrary, you could argue the lives of the people have dramatically deteriorated. You have HIV-AIDS, infant mortality, and life expectancy statistics which are among the worst in the world. There are also reports that special autonomy funds have been used to finance Indonesian military operations or have just simply disappeared.

The Indonesian government appears to lack will when it comes to the implementation of the special autonomy law. That is for a range of reasons, I am sure, and I do not underestimate the complexity of this situation. But it is for this reason that the Dewan Adat Papua—the Council for Indigenous Papuans—has decided to hand back the special autonomy law to Jakarta on 15 August. The council has also called on the people of West Papua to peacefully demonstrate on this day.

What makes the current situation more dangerous is that the unilateral hand back of special autonomy has been linked with the unrealistic hope of outside support for an independent West Papua. The false hope that the European Union, the United States and the United Nations will offer on-the-ground support for Papuans has apparently been spread by certain parties, possibly with the aim of inciting violence. Apparently, West Papuans are being urged, some might say at the urging of pro-military parties, to raise the Morning Star flag on that day and to declare independence. Either of these would give the Indonesian military an excuse to crack down on the Papuan people and no doubt further set back West Papuan autonomy.

Given the scale of abuse, the increased presence of Indonesian soldiers and the growing racial and nationalist tensions, this has all the appearance of a humanitarian disaster waiting to happen. Again, this is part of the reason I have raised this issue tonight: I want the Australian government to be in a situation where they are forewarned and have no excuse to come back to us next week and suggest that we were not debating or bringing to the attention of government some of these issues beforehand.

We are all aware of the history of atrocities conducted by the Indonesian military, unfortunately—and we hope that those issues have been rectified—not only in West Papua but of course in East Timor, now Timor Leste. All of these issues, as the Democrats have previously pointed out, mean that we should be wary as a country of a resumption of military ties with the Indonesian military, certainly not without some very strict conditions.

The Australian government appears, I believe, to be ignoring deplorable human rights abuses—perhaps because we are scared; we are scared of offending the Indonesians. Australia’s comprehensive partnership with Indonesia, aimed at increasing economic, political and security ties, could in principle be beneficial for understanding between our countries, as well as increasing security in the region. However, we have an obligation to make clear that we believe in the dignity of human life and of course the rights that accompany that. We have got to make that absolutely clear: closer ties must also include a determination to end misery and suffering.

I am a big fan of Indonesia. I think it is a wonderful, fascinating country, but I do want our dialogue, our friendship, to be character-
ised by frankness, by openness and by willingness to talk about issues in our respective countries. That has to be done in an open and accountable way, particularly when it comes to the issue of human rights. We have to pursue a friendship on that basis. I think there is much scope for our countries to work together—obviously, with an aim of redressing past wrongs but also to ensure that in the future fundamental human rights are protected, not just in Indonesia or Australia but in the region generally. This is why we cannot ignore the current situation: it is an area where past wrongs remain unredressed.

Given the circumstances surrounding the 1969 Act of Free Choice, I do not think it can really be said that the people of West Papua have ever had a genuine opportunity to determine their own future. As we recall, it was a coerced vote taken in the presence of 16,000 Indonesian soldiers by a hand-picked group of delegates. I do not think we could ever suggest that was free choice. As such, the West Papuans have been prevented, I think, from exercising a fundamental right under international law. This has got to be acknowledged by Indonesia and by Australia. We are not doing it because, to our shame, we played a fundamental role, don’t forget, in that Act of Free Choice, along with the broader international community.

I think there is a need for such an acknowledgement—I am not hopeful it will happen in the short term—but I am also acutely aware of the fact that any attempt to address the situation is fraught with challenges. It is complex. I am certainly not advocating independence. I am not suggesting that independence will necessarily solve the many problems affecting the West Papuan people, but an acknowledgement of past wrongs is a good first step. We are talking about an extended and ongoing history of grave human rights violations on our doorstep, including the death of at least 100,000 West Papuans, not to mention imprisonment, intimidation, torture et cetera. In fact, Yale University described the situation in that country as genocide. It is a relatively powerful neighbour and it is only separated from us by 200 kilometres. We have a responsibility.

With these considerations in mind, I urge the government to make representations to the Indonesian government regarding the need for investigation into the implementation of special autonomy. Further, I call on the Australian government to urge Indonesia, first of all, to verify these reports or explain what is happening on the ground and, second, to show restraint and respect the rights of West Papuans.

Of course, in making such representations to other countries, I realise Australia has to be cognisant of its own human rights record and indeed blemishes. We are certainly conscious in this country of many issues that some of us believe defy international conventions when it comes to human rights or could be improved. I am not suggesting that we are perfect, and my message to the Indonesian government is that we recognise that, but we need to be open and honest about faults on both sides when pursuing human rights violations in other countries.

Addressing these issues has got to be a priority and, given the dire nature of the current situation, we must act urgently to prevent further human rights abuses or indeed deaths, as the case may be. I urge the government to raise this issue with Indonesia immediately and also to work within multilateral institutions and fora, such as the UN and the Pacific Islands Forum, to bring an end to the violence. (Time expired)

Brian John Singleton QC

Senator JOHNSTON (Western Australia) (7.26 pm)—Tonight I want to pay tribute to a professional colleague and friend who passed
away earlier this year. Brian John Singleton QC was a barrister and solicitor and a proctor of the Supreme Court of Western Australia for more than 40 years. Brian was educated at Aquinas College in Perth and was a vital part of a tight-knit legal fraternity practising from 524 Hay Street, Perth, predominantly in the areas of crime and personal injury.

I first met Brian Singleton QC when, as a young solicitor in Kalgoorlie on the eastern goldfields of Western Australia, I briefed him to defend a client on serious criminal charges. On that occasion, as on many subsequent occasions, Brian accepted my brief in an obliging, professional and engaging way, notwithstanding it then lacked many of the formalities and had obviously been prepared by an inexperienced, raw and, with the benefit of hindsight, a very green legal practitioner—namely, me. And so it was in 1981 that I found a mentor and a friend who would over the next 20 years provide solid guidance and support not only to me but to several other solicitors practising in regional towns and centres throughout Western Australia. I refer to my colleagues in Geraldton, Albany, Esperance and Broome, to name but a few.

To retain Brian Singleton QC as defence counsel was to retain someone with a special commitment and dedication not only to the client and his or her best interests but also to his instructing solicitor. Brian’s ability and nature were such that I briefed him on dozens of matters over the following 20 years. These briefs were not just on matters of crime, for his forensic and cross-examination skills were exceptional, versatile and relevant to courtroom litigation across the broad criminal and civil subject fields.

Such was Brian’s capacity that a Kalgoorlie jury—and, for that matter, any jury that he addressed—at some point in the trial were acquainted with the knowledge that he and his family lived and grew up in the back streets of a proud working-class town called Boulder in Western Australia, a deeply working-class town adjacent to Kalgoorlie on the eastern goldfields. Needless to say, he was greatly successful in establishing in a very short time an exceptional rapport with juries which, more often than not, culminated in a two-word finale to the proceedings. Of course, those two words were ‘not guilty’.

I reflect on a professional life that was rich and filled with success and achievement, as, may I say, was his family life. Together we defended many men and women on the most serious of charges, frequently of a gruesome and grave factual genesis. All of these men and women received a defence or a plea that more than answered and met the most fundamental entitlement of every member of our Australian society—namely, to have and to receive justice. I was greatly shocked and saddened earlier this year to hear of Brian’s death at the age of, I think, 71. Having known him as I did, I shall seek to live out my life extolling, and abiding by, the principles and virtues of a defender in the vein, disclosing the courage and skill of Brian Singleton QC.

In this adjournment debate, I wish to express my sincere sympathy and sorrow to Brian’s wife, Bev, and to all of his family, whom many of us in the bush came to know through Brian’s capacity to relate their many accomplishments and achievements through his stories and anecdotes, which were always of great humour and of great affection. I know that they will miss him terribly. I share their sense of great loss. He was a great man and a very fine barrister.

Senate adjourned at 7.31 pm

Table:

The following government document was tabled:

Tabling

The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number]

Australian Bureau of Statistics Act—Proposals Nos—


Broadcasting Services Act—Broadcasting Services (HDTV Demonstration Programs) Determination 2005 [F2005L02218]*.

Civil Aviation Act—

Civil Aviation Regulations—Instruments Nos—

CASA 292/05—Designation of airspace—Birdsville race meeting; and Directions—broadcast requirements and radio frequency [F2005L02167]*.

CASA EX31/05—Exemption—carriage of life rafts [F2005L02117]*.

Civil Aviation Safety Regulations—Airworthiness Directives—Part—

105—

AD/AT/26—Horizontal Stabiliser Attachment Eyebolts [F2005L02087]*.

AD/AT 800/6—Horizontal Stabiliser Attachment Eyebolts [F2005L02085]*.

AD/TBM 700/41—Pilot Door Locking Fittings [F2005L02211]*.

107—AD/RAD/84—Honeywell RCZ-83( ) and RCZ-85( ) Communications Units [F2005L02237]*.

Class Ruling—Notice of Withdrawal—CR 2005/42.

Corporations Act—ASIC Class Orders—

[CO 05/642] [F2005L02197]*.

[CO 05/643] [F2005L02198]*.

[CO 05/644] [F2005L02202]*.

[CO 05/646] [F2005L02204]*.


Financial Sector (Collection of Data) Act—Financial Sector (Collection of Data) Determinations Nos—

65 of 2005—Reporting Standard ARS 110.0 (2005) [F2005L02126]*.


68 of 2005—Reporting Standard ARS 113.0 (2005) [F2005L02130]*.


70 of 2005—Reporting Standard ARS 210.0 (2005) [F2005L02132]*.

71 of 2005—Reporting Standard ARS 220.0 (2005) [F2005L02133]*.

72 of 2005—Reporting Standard ARS 220.3 (2005) [F2005L02136]*.


74 of 2005—Reporting Standard ARS 221.0 (2005) [F2005L02138]*.

75 of 2005—Reporting Standard ARS 222.0 (2005) [F2005L02140]*.


84 of 2005—Reporting Standard ARS 320.3 (2005) [F2005L02156]*.
90 of 2005—Reporting Standard ARS 325.0 (2005) [F2005L02176]*.
96 of 2005—Reporting Standard ARS 331.0 (2005) [F2005L02183]*.
97 of 2005—Reporting Standard ARS 332.0 (2005) [F2005L02184]*.
100 of 2005—Reporting Standard ARS 393.0 (2005) [F2005L02187]*.

Parliamentary Entitlements Act—Parliamentary Entitlements Regulations—Advice of decision to pay assistance under paragraph 18(a), dated 1 August 2005.
Safety, Rehabilitation and Compensation Act—Guidelines for Rehabilitation Authorities [F2005L02179]*.

Superannuation Act 2005—Superannuation (PSSAP) Unit Pricing Amendment Determinations 2005—
(No. 3) [F2005L02200]*.
(No. 4) [F2005L02249]*.
(No. 5) [F2005L02263]*.

Taxation Determination TD 2005/33.
Water Efficiency Labelling and Standards Act—Water Efficiency Labelling and Standards Declaration 2005 [F2005L02209]*.

* Explanatory statement tabled with legislative instrument.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Family and Community Services: Senior Officers Costs and Air Charters
(Question Nos 659 and 677)

Senator Chris Evans asked the Minister for Family and Community Services, upon notice, on 4 May 2005:

For each of the financial years 2000-01 to 2004-05 to date, can the following information be provided for the department and/or its agencies:

(4) (a) How many senior officers have been supplied with motor vehicles; and (b) what has been the cost to date.

(5) (a) How many senior officers have been supplied with mobile phones; and (b) what has been the cost to date.

(11) (a) What was the total cost of air charters used; and (b) on how many occasions was aircraft chartered, and in each case, what was the name of the charter company that provided the service and the respective costs.

Senator Patterson—The answer to the honourable senator’s question is as follows:

(4) The figures for the number of senior officers who have been supplied with a motor vehicle and the cost to date are tabulated below:

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</thead>
<tbody>
<tr>
<td>No. of SES Vehicles</td>
<td>44</td>
<td>44</td>
<td>45</td>
<td>46</td>
<td>47</td>
</tr>
<tr>
<td>Estimated Total Expenditure</td>
<td>$501,947</td>
<td>$463,708</td>
<td>$434,857</td>
<td>$530,708</td>
<td>$524,480</td>
</tr>
</tbody>
</table>

Total cost to date: $2,455,700

(5) (a) FaCS currently has issued 236 senior officers with mobile phones.

To determine the number of senior officers who were provided with mobile phones in the previous financial years would represent a significant diversion of FaCS resources, as mobile phones services have been provided to FaCS by a number of service providers over this period

(b) Total mobile phone expenditure across all FaCS mobile services for each of the financial years 2000-01 to date is described in the table below.

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<tbody>
<tr>
<td>$212,805.50</td>
<td>$358,452.56</td>
<td>$292,462.23</td>
<td>$159,904.75</td>
<td>$220,881.34</td>
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(11) Domestic charter travel:

<table>
<thead>
<tr>
<th></th>
<th>2004-05</th>
<th>(b) Total = 1</th>
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</thead>
<tbody>
<tr>
<td>Murin Airways</td>
<td>$2,140</td>
<td></td>
</tr>
<tr>
<td>(a) Total</td>
<td>$2,140</td>
<td></td>
</tr>
<tr>
<td>2003-04</td>
<td></td>
<td>(b) Total = 8</td>
</tr>
<tr>
<td>Cape Air Transport</td>
<td>$520</td>
<td></td>
</tr>
<tr>
<td>Murin Airways</td>
<td>$2,227</td>
<td></td>
</tr>
<tr>
<td>Murin Airways</td>
<td>$2,145</td>
<td></td>
</tr>
<tr>
<td>Murin Airways</td>
<td>$2,430</td>
<td></td>
</tr>
<tr>
<td>Murin Airways</td>
<td>$8,050</td>
<td></td>
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<tr>
<td>Murin Airways</td>
<td>$2,135</td>
<td></td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
Senator Brown asked the Minister for Defence, upon notice, on 11 May 2005:

With reference to the upcoming joint United States of America (US) - Australia military exercise ‘Talisman Sabre 2005’:

(1) Will any depleted uranium munitions be used.
(2) What representations to the US military has the Government made on the issue.
(3) What assurances has the Government received from the US Government that no such munitions will be used.

Senator Hill—The answer to the honourable senator’s question is as follows:

(1) No.
(2) None.
(3) Assurance has been given that US forces participating in Talisman Sabre 2005 will not be using depleted uranium munitions. US Pacific Command has confirmed by message that US forces participating in Talisman Sabre 2005 will not use depleted uranium munitions.

Tasmanian Electronic Commerce Centre Pty Ltd
(Question No. 967)

Senator O’Brien asked the Minister for Communications, Information Technology and the Arts, upon notice, on 16 June 2005:

(1) For each financial year since 1996, how much funding has been provided by the department to Tasmanian Electronic Commerce Centre Pty Ltd (TECC): (a) under what programs; and (b) for what purpose.
(2) When and in what manner was the Minister made aware that the Commissioner of Taxation had deemed TECC not to be a charitable institution.
(3) (a) What did the Commissioner of Taxation deem to be the total taxation liability of TECC to the Commonwealth; and (b) when and how was the Treasurer made aware of this.
(4) How much funding has been approved for payment to TECC by the department since the Commissioner of Taxation deemed TECC not to be a charitable institution.

(5) What provision has been made in the forward budget estimates to meet TECC taxation liabilities in the event that the Commissioner of Taxation’s determination of TECC as a non-charitable institution stood.

**Senator Coonan**—The answer to the honourable senator’s question is as follows:

(1) (a) and (b)

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Funding provided</th>
<th>Purpose of funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-97</td>
<td>nil</td>
<td>To establish the Tasmanian Electronic Commerce Centre through the Tasmanian Electronic Commerce Centre project (Phase I) - Payment on signing of the Deed and submission of the TECC Corporate Plan. Total value of grant: $4,500,000</td>
</tr>
<tr>
<td>1997-1998</td>
<td>$1,500,000</td>
<td>Tasmanian Electronic Commerce Centre project (Phase I) - Payment on acceptance of progress report.</td>
</tr>
<tr>
<td>1998-1999</td>
<td>$1,500,000</td>
<td>Tasmanian Electronic Commerce Centre project (Phase I) - Payment on acceptance of progress reports.</td>
</tr>
<tr>
<td></td>
<td>$845,000</td>
<td>To establish the Tasmania Business Online project and through it, to develop a single electronic gateway or portal for Tasmanian business and industry, incorporating community-based infrastructure for managing trading opportunities and business communications support to overcome regional inequities in access to support services and information - Payment on signing of the Deed and acceptance of progress report. Total value of grant: $1,805,000</td>
</tr>
<tr>
<td>2000-2001</td>
<td>$150,000</td>
<td>Tasmanian Electronic Commerce Centre project (Phase I) - Payment on acceptance of the final report.</td>
</tr>
<tr>
<td></td>
<td>$2,000,000</td>
<td>Tasmanian Electronic Commerce Centre project (Phase II) - extended the work of the TECC to support and grow local businesses through promoting and encouraging the use of information technology and online applications, with particular emphasis on electronic commerce - Payment on signing of the Deed. Total value of grant: $6,600,000</td>
</tr>
<tr>
<td></td>
<td>$240,000</td>
<td>Tasmania Business Online project - Payment on acceptance of progress report.</td>
</tr>
<tr>
<td>2001-2002</td>
<td>$2,000,000</td>
<td>Tasmanian Electronic Commerce Centre project (Phase II) - Payment on acceptance of progress reports.</td>
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<tr>
<td></td>
<td>$440,000</td>
<td>Tasmania Business Online project - Payment on acceptance of progress reports.</td>
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<tr>
<td>2002-2003</td>
<td>$2,550,000</td>
<td>Tasmanian Electronic Commerce Centre project (Phase II) - Payment on acceptance of progress reports.</td>
</tr>
<tr>
<td></td>
<td>$280,000</td>
<td>Tasmania Business Online project - Payment on acceptance of progress and final reports.</td>
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Table 2. Business Development Fund

<table>
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<tr>
<th>Financial year</th>
<th>Funding provided</th>
<th>Purpose of funding</th>
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<tbody>
<tr>
<td>1996-1997</td>
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<td></td>
</tr>
<tr>
<td>1997-1998</td>
<td>nil</td>
<td></td>
</tr>
<tr>
<td>1998-1999</td>
<td>nil</td>
<td></td>
</tr>
<tr>
<td>1999-2000</td>
<td>nil</td>
<td></td>
</tr>
<tr>
<td>2000-2001</td>
<td>$1,500,000</td>
<td>Business Development Fund - To stimulate new innovative broadband and related technology business opportunities in the Launceston region. Payment of $1m on signing of the Deed and $0.5m for conducting the first funding round.</td>
</tr>
<tr>
<td>2001-2002</td>
<td>$1,500,000</td>
<td>Business Development Fund (as above) - Payment for conducting funding rounds and satisfying reporting requirements.</td>
</tr>
<tr>
<td>2002-2003</td>
<td>$500,000</td>
<td>Business Development Fund (as above) - Payment for conducting funding rounds and satisfying reporting requirements.</td>
</tr>
<tr>
<td>2004-2005</td>
<td>$716,000</td>
<td>Business Development Fund (as above) - Payment for conducting funding rounds and satisfying reporting requirements.</td>
</tr>
<tr>
<td>2005-2006</td>
<td>$500,000</td>
<td>Business Development Fund (as above) - Payment for conducting funding rounds and satisfying reporting requirements.</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td><strong>$4,716,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

Table 3. Information Technology Online (ITOL) Program

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Funding provided</th>
<th>Purpose of funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-1997</td>
<td>nil</td>
<td></td>
</tr>
<tr>
<td>1997-1998</td>
<td>nil</td>
<td></td>
</tr>
<tr>
<td>1998-1999</td>
<td>$19,200</td>
<td>ITOL Round 3 - Food &amp; Beverage Procurement project - This online procurement project utilised established software, for logistics and ordering, in the Tasmanian Food and Beverage Sector. The project: - provided a trading model for major procurers in Tasmania in both the public and private sector; - created an incentive for SME suppliers in the food and beverage sector to develop their ability to trade in an online environment and to extend their market potential beyond Tasmania; and - demonstrated the full integration of marketing, ordering, and dispatch within the food and beverage sector. Consortium members were Tasmanian Electronic Commerce Centre (lead consortium), Wrest Point Casino, Calvary Hospital, Chung Sing Provedores, Australian Antarctic Division, Sterling Commerce, University of Tasmania, Virtual Logistics Organisa-</td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
<table>
<thead>
<tr>
<th>Financial year</th>
<th>Funding provided</th>
<th>Purpose of funding</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$8,000</td>
<td>ITOL Round 3 - Multi-Industry Procurement project - This online procurement project used industry-proven software for ordering, inventory control, and logistics fulfillment in the mining and associated industries. This project utilised the MISEC software trialled in the mining industry in a multi-industry project based primarily in the Tasmanian mining industry, but also included the purchasing practices of local government. The project was supported by five significant mines and several common suppliers as well as the Burnie City Council which had a significant procurement role for many municipalities in the region. The project demonstrated that large local mining operations (relative to many other Tasmanian businesses) can support a network of small suppliers efficiently, and provided a model of an open large purchaser/small supplier electronic procurement platform. Consortium members were Tasmanian Electronic Commerce Centre (lead consortium), Burnie City Council, Industrial Supplies Office, Tasmanian Minerals Council, National Electronic Interchange Services, University of Tasmania, Virtual Logistics Organisation - Payment on signing of the Deed. Total value of grant: $48,000</td>
</tr>
<tr>
<td>1999-2000</td>
<td>$19,200</td>
<td>ITOL Round 3 - Food &amp; Beverage Procurement project (as above) - Payment on acceptance of progress report.</td>
</tr>
<tr>
<td></td>
<td>$8,000</td>
<td>ITOL Round 3 - Multi-Industry Procurement project (as above) - Payment on acceptance of progress report.</td>
</tr>
<tr>
<td>2000-2001</td>
<td>$9,600</td>
<td>ITOL Round 3 - Food &amp; Beverage Procurement project (as above) - Payment on acceptance of final report.</td>
</tr>
<tr>
<td></td>
<td>$4,000</td>
<td>ITOL Round 3 - Multi-Industry Procurement project (as above) - Payment on acceptance of final report.</td>
</tr>
<tr>
<td></td>
<td>$45,000</td>
<td>ITOL Round 4 - Tasmania Online Logistics project - This project developed a statewide online logistics system for Tasmania. It covered all sectors of the transport industry (rail, sea, air and road) and intrastate, interstate and international transport. The system allowed any Tasmanian businesses to get quotes, make bookings, track consignments and make payments online. This project demonstrated the commercial benefits available to logistics and transport providers, as well as their customers, when they migrate from paper-based workflows to an automated operation. A key feature of the initiative was the creation of a central technology hub for the Tasmania’s transport and logistics providers. To show how an automated and electronic operations system</td>
</tr>
</tbody>
</table>
### QUESTIONS ON NOTICE

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Funding provided</th>
<th>Purpose of funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2002</td>
<td>$30,000</td>
<td>ITOL Round 4 - Tasmania Online Logistics project (as above) - Payment on acceptance of final report.</td>
</tr>
<tr>
<td>2002-2003</td>
<td>$120,000</td>
<td>ITOL Round 9 - Textile Supply Chain Interoperability project - This project integrated different production supply chain systems from suppliers to the Australian Weaving Mills plant at Devonport, Tasmania through to major retailers. The logistics function was a key component of the project, with the tracking of yarn consignments from supplier to manufacturer and then the end product to the retailer. The project implemented a system where data moved seamlessly through the supply/production chain to allow production levelling and supply chain optimisation. SMEs also gained access to an Electronic Document Exchange Bureau. This project enabled the benefits of e-business to be measured along the whole supply chain. Consortium members were Tasmanian Electronic Commerce Centre (lead consortium), Australian Weaving Mills, AREL Pty Ltd, EC – Enable Ltd (Tasmania Business Online) - Payment on signing of the Deed. Total value of grant: $200,000</td>
</tr>
<tr>
<td>2003-2004</td>
<td>$60,000</td>
<td>ITOL Round 9 - Textile Supply Chain Interoperability project (as above) - Payment on acceptance of report.</td>
</tr>
<tr>
<td>2004-2005</td>
<td>$20,000</td>
<td>ITOL Round 9 - Textile Supply Chain Interoperability project (as above) - Payment on acceptance of final report.</td>
</tr>
</tbody>
</table>

Sub Total $343,000

Note: the ITOL Program was formerly administered by the National Office for the Information Economy (NOIE) until 7 April 2004. Since that time, ITOL has been administered by the Department of Communications, Information Technology and the Arts.
### QUESTIONS ON NOTICE

**Table 4. TIGERS - Trials of Innovative Government Electronic Regional Services**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-2004</td>
<td>$149,600</td>
<td>Funding was used to:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- provide a Demand Aggregation Manual establishing guidelines based on best practice models and case study material;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- provide a list of relevant industry and public-sector contacts to assist the development of the Demand Aggregation Program;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- host 3 Regional Broadband Forums to focus on regional broadband take-up issues in regional and rural areas of Australia; and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- to finalise a Business Plan, approved by the TECC Board, for future activities – to be accepted by the Department of Communications, Information Technology and the Arts (DCITA).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total value of grant: $516,900 ($367,300 transferred to DoFA - see **note below)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>** Note: On 26 October 2004, AGIMO was incorporated into the Department of Finance and Administration (DoFA) and was responsible for $367,300 in payments made after this date for the 2nd and 3rd progress payments and final payment for the TECC.</td>
</tr>
</tbody>
</table>

Sub Total $149,600

Note: the TIGERS Program was formerly administered by the National Office for the Information Economy (NOIE) until 7 April 2004. Between 8 April 2004 and 25 October 2004, TIGERS was administered by the Australian Government Information Management Office (AGIMO).

(2) The then Minister for Communications, Information Technology and the Arts was forwarded an Evaluation Report of the Performance of the TECC in August 2003, that identified that the TECC had received a ruling regarding its taxation status.

(3) (a) and (b) The question relates specifically to taxation matters and does not fall within the responsibility of the Department of Communications, Information Technology and the Arts.

(4) All funding allocated to the TECC has been paid in accordance with funding agreements between the TECC and the Department - refer to Tables 1-4.

(5) All funding allocated to the TECC has been paid in accordance with funding agreements between the TECC and the Department (refer to Tables 1-4).

The payment of taxation, duties and government charges, imposed or levied in Australia, or overseas, in connection with funding agreements, are to be borne by the funding recipient. This is reflected in the operational clauses of the Department’s Funding Agreements.

**Commonwealth State Housing Agreement**

(Question No. 1022)

Senator Bartlett asked the Minister for Family and Community Services, upon notice, on 11 July 2005:

With reference to the Commonwealth State Housing Agreement and, in particular, the related bilateral agreement with New South Wales:

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**QUESTIONS ON NOTICE**
QUESTIONS ON NOTICE


(2) Is the Minister concerned that this document states that the New South Wales Government will require the estimated 2,500 households who are tenants of the New South Wales Department of Housing, currently getting rental subsidies, and who are on ‘moderate incomes’, to pay 30 per cent of their income on rent (up from 25 per cent) from November 2005; if so: (a) what analysis has been undertaken to assess if this policy change in New South Wales might have the effect of discouraging low-income tenants from improving their household earnings because they would be liable for a higher rent; (b) is there a view that this policy represents a potential poverty trap; (c) is it the case that the New South Wales Government made a commitment to the Commonwealth in 2003 in its bilateral agreement made under the Commonwealth State Housing Agreement, that: ‘States and Territories will introduce rent policies that reduce workforce disincentives associated with the current link between Earned Income and rent. Strategies to reduce workforce disincentives will include … Improving the efficiency and effectiveness of existing workforce incentives in relation to the way rents are calculated’; and (d) has the New South Wales Government breached the Agreement on this matter with their newly announced policy.

(3) Is the Minister also concerned that the document noted in (1) states the New South Wales Government will ‘end the policy of public housing for life. New tenants will be offered fixed-term tenancies with reviews. There will now be three types of leases – short-term (up to two years), medium (two to 10 years), and long-term (10 years). Tenant’s needs will be reviewed toward the end of each tenancy. If their review shows they still need public housing, their tenancy will continue’; if so: (a) what analysis has been undertaken to assess the impacts of this policy change in discouraging low-income tenants from improving their household earnings because they would no longer meet the stringent income test for eligibility; and (b) does the Minister agree that this policy change creates a potential poverty trap.

(4) Does the Minister consider that the New South Wales Government has breached the commitment it and other states signed up to in the 2003 Commonwealth-State Housing Agreement, that ‘States and Territories agree to research and better understand the nature of the barriers to Social Housing tenants accessing employment opportunities. The findings will be used to reduce or remove barriers to employment for Social Housing tenants’; if so, what action does the Minister intend to take.

Senator Patterson—The answer to the honourable senator’s question is as follows:

(1) Yes.

(2) I wrote to the Hon Joseph Tripodi MP, the New South Wales Minister for Housing on 31 May 2005, advising that I am interested in analysing the impact of some of the changes. I am particularly interested in the impact of the proposed charging 30 per cent of income from November 2005 for moderate income households, as opposed to the current 25 per cent. Schedule 1 of the 2003 Commonwealth State Housing Agreement (CSHA), agreed to by all States and Territories, outlines measures that that States could undertake in individual bilateral agreements to reduce workforce disincentives for Social housing tenants. It provides, in part, that: ‘States and Territories will introduce rent policies that reduce workforce disincentives associated with the current link between earned income and rent. Strategies to reduce workforce disincentives will include: Improving the efficiency and effectiveness of existing workforce incentives in relation to the way rents are calculated’. New South Wales in its bilateral agreement made pursuant to the 2003 CSHA on 25 June 2004, undertook to ‘develop rent policy options based on an assessment of the impacts on clients and providers and a review of current incentives’. There is no evidence that has been presented to me that suggests that New South Wales has breached that provision.
(3) The changes to tenure with New South Wales offering fixed term tenancies for public housing for new tenants from 1 July 2006 reflects the continued and desirable move away from the former lifetime guarantee. I note the policy change is designed to ensure that the length of time a tenant can stay in public housing will be matched with their need for public housing. The Australian Government is committed to providing assistance to those most in need, and as such welcomes this element of the NSW reforms.

(4) Schedule 1 of the 2003 CSHA, outlines measures that States could undertake in individual bilateral agreements to reduce workforce disincentives for Social housing tenants. It provides, in part, that ‘States and Territories agree to research and better understand the nature of the barriers to Social Housing tenants accessing employment opportunities. The findings will be used to reduce or remove barriers to employment for Social Housing tenants’. There is no evidence that has been presented to me that suggests that New South Wales has breached that provision.