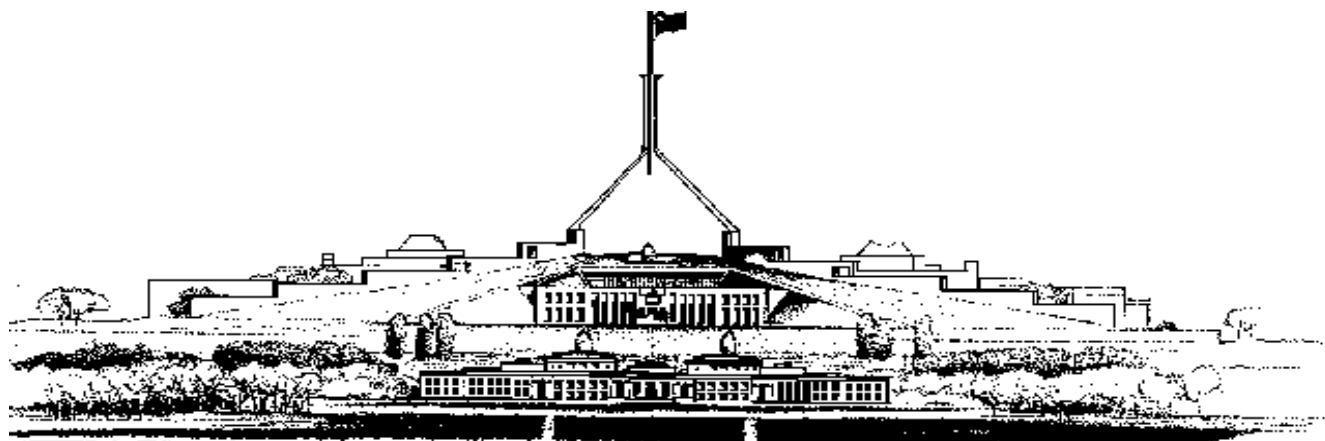




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Official Hansard

MONDAY, 4 JUNE 2001

THIRTY-NINTH PARLIAMENT
FIRST SESSION—NINTH PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Monday, 4 June 2001

Mr SPEAKER (Mr Neil Andrew) took the chair at 12.30 p.m., and read prayers.

DELEGATION REPORTS

Commonwealth of Australia Branch Delegation to the 46th Commonwealth Parliamentary Conference, United Kingdom

Mr SCIACCA (Bowman) (12.30 p.m.)—I present the report of the Commonwealth of Australia Branch Delegation to the 46th Commonwealth Parliamentary Conference held in the United Kingdom, from 20 to 29 September 2000. The conference gave delegates the opportunity to visit the home of our system of parliamentary democracy, in Westminster, and the parliaments of Scotland and Wales that were established under the policy of devolution in 1999.

On the delegation, I was accompanied by the President of the Senate, the Hon. Margaret Reid; Senator Paul Calvert; Senator George Campbell, my parliamentary party colleague; the Hon. Ian Causley; and Mr Gary Hardgrave. On behalf of all delegates, I extend my thanks to Senator Reid, the delegation leader, and the delegation secretary, Mr Brendhan Egan, for their contribution towards the success of the conference.

The annual conferences organised by the Commonwealth Parliamentary Association aim to bring together parliamentarians representing the many and varying components of the Commonwealth of Nations in a forum in which common issues confronting all states that strive to maintain the rule of law and respect for human rights can be explored.

In officially opening the conference at Westminster Hall, Her Majesty Queen Elizabeth II praised the tradition of debate encouraged by the association and acknowledged the opportunities created by the annual meetings in enabling delegates to learn about the endeavours undertaken by governments around the world in the pursuit of the principles of parliamentary democracy and to assess and, where appropriate, remodel programs for implementation in our own coun-

tries to move closer towards both economic and social equality.

In addition to facilitating discussion about such important issues as poverty reduction, the prevention of environmental degradation, programs to combat the HIV-AIDS epidemic at an economic, social and political level and the International Criminal Court, the key theme of the 46th CPA conference was 'Harnessing global communications to enhance democracy'. Discussion in this pertinent debate was framed by the keynote address of the Rt Hon. Robin Cook MP, UK Secretary of State for Foreign and Commonwealth Affairs. Mr Cook called upon delegates to seize the opportunities presented in the areas of trade, diplomacy and economic and social growth as the world becomes seemingly smaller every day as technology develops faster, more reliable and more cost-effective methods of communication. In particular, delegates were called upon to pursue, within their own countries and collectively, opportunities to build a Commonwealth of Nations united in prosperity, sustainable development, opportunity and human rights.

The challenges posed for democracy in the global age were further explored in the panel sessions. Several aspects of the relationship between parliament and the media were debated by delegates, including freedom of information legislation and human rights, making parliament newsworthy and the freedom of the press versus the invasion of privacy. From a personal perspective, I found very valuable the discussion on the important question of self-regulation versus government regulation of the media, which was chaired by our parliamentary colleague from New South Wales, the Hon. George Souris MP. The challenge of finding a balance between upholding the role of the media as a tool of enforcing the accountability of parliament and parliamentarians to the community and ensuring that the media is itself accountable for its actions is a pressing concern in a modern democracy. This question is particularly pressing in a country as vast as Australia where parliamentary business keeps so many of us away from our electorates for substantial periods during the

year and our constituents have no choice but to rely on the media for news of the issues being addressed and activities being undertaken by their elected representatives.

As in all these delegations, when you are fortunate enough to travel with members and colleagues from the opposite side, I know that you always get a better understanding and a lot of friendships are forged. I did not have to make friends with my parliamentary colleagues on the opposite side of this parliament, but I had a fantastic relationship with the Leader of the National Party in New South Wales, George Souris. He is a terrific fellow. I do not particularly agree with his politics, but he is a great bloke. He is one of the best shoppers I have ever seen in my life. He is just a terrific bloke. I enjoyed his company very much, as I did the company of the honourable member for Page, the honourable member for Moreton, who is in the House now, and Senator Campbell.

I would like to thank all of the Australian delegates to the 46th Commonwealth Parliamentary Conference, and I commend the report to the House.

Mr HARDGRAVE (Moreton) (12.35 p.m.)—Firstly, I thank the member for Bowman for giving an excellent critique for the record in this place of the activities of the Commonwealth of Australia Branch Delegation to the 46th Commonwealth Parliamentary Association Conference. The penalty of departing Australia to attend that conference was that we were not here in Australia for the time of the Olympics. But the uniqueness of the experience allowed us to view at first-hand how well our country was portrayed on BBC TV, for instance: at breaks in the conference I was able to see excellent coverage of Australia. I can report to you, Mr Speaker, that Australia was of course very well represented overseas on that particular aspect in the media.

The member for Bowman has outlined the course of the conference, a very successful event and a precursor to what I believe will be the most successful conference ever—the one that is being staged in this place later this year, in September. Of course, the role of the

Commonwealth Parliamentary Association is not as well understood in this country as it might be in a lot of other nations that rely very heavily on the Commonwealth Parliamentary Association for support for their fragile democracy. I have been honoured to serve as the Australian regional representative on the international executive over the past year and I have found great friendships with people, many of them Speakers from their respective parliaments, from places as diverse as St Lucia in the Caribbean, Tanzania in Africa and various parts of the Indian subcontinent.

One of the things that really stands out in my mind is just how valuable the support offered by nations such as ours to fragile democracies really has become. The Commonwealth Parliamentary Association can claim some real credit, not at the minister to minister level but at the parliamentary member to parliamentary member level, for re-igniting democracy in the massive nation of Nigeria, for instance, where there are about 20 state branches of the Commonwealth Parliamentary Association now in existence again, after years of non-democracy in that country and where 100 million-plus African citizens hold onto democracy, perhaps with the most slender of threads. Whilst many in this country criticise members in this place for travelling overseas, I do not know what other level of parliament should in fact be travelling and representing its country other than the federal parliamentary level. It is very sobering to think about the real work that we do and the personal relationships that we build, and the follow-up correspondence and assistance, and even the sending of electorate newsletters to people in other parts of the world to show them how our democracy is practised with such great flourish here in Australia.

There is fragile democracy in our own midst, in the Solomons: how close it came not so long ago to falling over, as Fiji has again. The Commonwealth Parliamentary Association has put a great deal of store on the restoration of democracy in Fiji, and I know that we are hoping that we can readmit our Pacific island neighbour of Fiji back into

the Commonwealth Parliamentary Association.

Later this year at the conference to take place in Melbourne and in Canberra, retracing the steps of Federation and the parliamentary progress of this country, we will in fact be debating the need to readmit Northern Ireland's parliament to the Commonwealth Parliamentary Association. If I can speak from the Commonwealth Parliamentary Association executive level point of view, we are recommending that Northern Ireland be readmitted, and also several new states within that massive democracy of India and a couple more states within this new and, thankfully, redemocratised Nigeria.

One of the things that comes out of meeting people who have the rule of law, human rights and democratic values at their heart is finding differing standards and the way they are practised, and discovering new ways of in fact exciting greater standards and better levels of accountability and ensuring that the legacy of our Mother Parliament in Westminster is well practised right around the Commonwealth—an organisation which represents over one-third of the world's population in some of the most fragile parts of the world. I commend the report to the House.

Mr CAUSLEY (Page) (12.40 p.m.)—It is a pleasure to support the honourable members for Bowman and Moreton this afternoon on the presentation of the report of the Commonwealth of Australia Branch Delegation to the 46th Commonwealth Parliamentary Association Conference. From the outset, I was a little astonished, I suppose, when we met in the Great Hall at Westminster, especially by the fact that the hall is nearly 1,000 years old. With some of the history that had gone on in that particular building, it was a little awe-inspiring to sit there, and also to sit with some 50 Commonwealth countries that used to belong to the old British Empire. One thing that struck me was that a country which in those days had probably only some five million people could have such influence around the world. It is quite extraordinary the influence that some of the European countries, with very

small populations of their own, had in those days around the world.

As the honourable member for Moreton has said, some of the countries that were there do rather cling to the old Commonwealth countries, such as Australia and England in particular, because we are seen to be very democratic countries. Some of those countries have laboured to get the democracy that they are looking for in some areas and they do look to us for a lead in many areas. I had the privilege of serving on a panel which looked at the involvement of governments in the area of environment. To sit there with some of the African countries, in particular, and to listen to some of problems that they have, makes us think that we have some problems in Australia but nothing like the problems that they have in their countries. They really do have enormous challenges, with very few resources, and they certainly need the support of countries such as ours, whereby we can not so much be big brother but certainly give some of the advice and knowledge that we have to help them in those areas.

One of the areas that really did stun me, I suppose, was the power that was put into the debate by some of the African women. There were quite a number of African women politicians there, and the urgency that they expressed at that conference on the problem that they have in Africa with AIDS struck me considerably. I did not realise at the time that the AIDS problem was so large in Africa. They were quoting something like 20 million people—and since then it has grown to an estimate of something like 30 million people—in Africa with AIDS. That is an extraordinary problem for their societies. We tried to discuss with them some of the plans and policies that we had put in place in Australia to overcome the AIDS problem. They say that they have had education programs in their countries, but there seems to be a suspicion that some of these things are a Western conspiracy, as the women put it to us, and that their countries are unwilling or unable to accept some of the education that is needed.

Another shocking statistic that I was given by these women is that it is considered that 70 per cent of females in Africa will be raped at some time or other. They feel as if they have no control over the situation. The AIDS epidemic that is racing through Africa is such a worry to them that I dare say that anything that countries like Australia can do will be very helpful.

Mr SPEAKER—Order! The time allotted for the debate has expired.

COMMITTEES

Foreign Affairs, Defence and Trade Committee

Report

Mr HAWKER (Wannon) (12.45 p.m.)—On behalf of the Joint Standing Committee on Foreign Affairs, Defence and Trade, I present the committee's report, incorporating a dissenting report, on an investigation into allegations of brutality in the Army's parachute battalion, entitled *Rough justice? An investigation into allegations of brutality in the Army's parachute battalion*, together with evidence received by the committee and a further submission received after the completion of the inquiry.

Ordered that the report be printed.

Mr HAWKER—This report came about as a result of public allegations regarding brutality and 'rough justice' within the Army's parachute battalion, the 3rd Battalion, Royal Australian Regiment—3RAR. In the report, the committee took the strong view that it would be entirely inappropriate to make comment on specific individuals or legal proceedings. The committee's focus in this report was on identifying and improving the processes of military justice. In conducting this inquiry, the committee received a total of 50 submissions, 29 from individuals with grievances. Two of these were from individuals in 3RAR relating to the initial allegations that sparked the inquiry. These submissions ranged across a variety of issues and time frames and are discussed in a generic way in chapter 5.

In relation to the specific allegations surrounding 3RAR, the main points of the re-

port are as follows. Firstly, the committee did not find that there was a culture of violence in 3RAR or the Army. There was no evidence put forward to show that a system of illegal punishments was widespread in 3RAR or in the wider Australian Defence Force. Secondly, the committee found that there was a system of extrajudicial punishment taking place in A Company of 3RAR over the period 1996-98. That punishment took the form of illegal bashings of individuals who were not performing adequately or who were perceived to be guilty of offences by their peers. The committee is obviously concerned that this was allowed to occur over that period without being identified and stopped by those in authority.

The committee also comments on the performance of the military police and defence legal services. In essence, the investigations and charges should not have taken the time they did. The committee acknowledges the considerable positive change both the military police and the Defence Legal Office have undertaken in procedures and structure since the start of this investigation, and urges this to continue.

I must also say that the committee has been heartened with the Department of Defence response to this investigation. Since the committee started the inquiry, Defence has taken the following initiatives: the ADF stand-down day and the address by the Chief of the Defence Force and the service chiefs to the Defence Force, the establishment of the Burchett Military Justice Audit, the proposed establishment of an ADF Inspector General, an investigation into the command responsibility surrounding the events at 3RAR, the laying of charges against a number of senior individuals involved in the 3RAR investigation, the reorganisation of the Army Military Police, the introduction of an ADF prosecution team and an internal review of the Defence Legal Office. These are significant activities, and the ADF should be commended for their actions.

I would like to make a comment on one specific area of the evidence received by the committee. At the final hearing in this in-

quiry, on 9 March this year, the committee heard criticism regarding individuals within the Defence Legal Office. As this information came to the inquiry so late in the committee's proceedings, the committee wrote to the individuals named to offer them a right of reply to the allegations made during that hearing. Four officers took up that right and forwarded to the committee on 10 May this year their rebuttal of the views expressed about them at that hearing. The committee has authorised these responses as a supplementary submission to the inquiry.

The committee is now relatively comfortable that, because of the pressure by this committee and subsequent action by the Chief of the Defence Force and the Chief of Army, processes are now firmly in place to correct the situation. Those specifically responsible for the incidents have been identified and legal processes instituted where appropriate. Additionally, the ADF is looking at how this type of incident was allowed to happen. The Burchett audit and the investigation into the issue of command responsibility should allow lessons to be learned and identify if there are further issues to be addressed. Investigative and justice processes have already been amended as a result of lessons learned.

In the opinion of the committee, the events at 3RAR were unacceptable and should have been identified and stamped out earlier than occurred. However, the committee does not think that they were widespread and does not consider that there was, or currently exists, a culture of violence in 3RAR or in the wider Army. The action taken by the committee and senior leadership of Defence to raise the profile of the issues of justice and harassment will go a long way to ensuring this type of incident does not occur again.

I thank all members of the committee for their input, the committee secretary, Margaret Swieringa, Lieutenant Colonel Mike Milford and Lieutenant Colonel Leo Hogan. I commend the report to the House.

Mr HOLLIS (Throsby) (12.50 p.m.)—I agree with the comments made by the chair

of the Joint Standing Committee on Foreign Affairs, Defence and Trade. I was one of the signatories to a dissenting part of the report, *Rough Justice? An investigation into allegations of brutality in the Army's parachute battalion*, but that dissenting section dealt with only one aspect and, indeed, there was unanimous agreement on the rest of the report.

The terms of reference for this investigation were fairly narrow. It is fair to say that in many respects our work was taken over—indeed, taken over on the first day—by the Burchett inquiry. This is becoming something of a habit with this government. On a couple of committees I have been on, the committees have been doing their work and the government appoints another committee. I will give a couple of examples. One was an inquiry we were doing into the military, and the government appointed a three- or four-person committee to go around and do the work we were doing. Also, on a report I have been involved in on the United Nations, as we were doing it the government set up a secret inquiry within the department.

This inquiry that we are dealing with was not an inquiry into the brutality or alleged brutality in the defence forces but an investigation into allegations of brutality in the Army's parachute regiment 3RAR. I do believe that Australia is well served by our Defence men and women. Many of the recommendations that we were talking about, and which the chair has highlighted, have already been put into place.

It is true to say that the senior levels of our defence forces—indeed all levels—are concerned to stamp out any forms of brutality. I think it is true from events such as the stand-down day that all Defence personnel are aware of their rights and indeed of their responsibilities. It is generally accepted that brutality in any form will not be tolerated. Although the committee was not given evidence of illegal justice being used outside A Company 3RAR, we did not seek that evidence because that was not within the terms of reference. Committee members will await with interest the report of Mr Burchett.

One aspect that did cause some concern is that many of the committee members felt that the Department of Defence, and indeed the minister, should have informed the committee of the 3RAR investigation at the time that the previous military justice inquiry was being carried out. Had the committee been aware of the serious allegations of rough justice within 3RAR, this may have altered the committee's consideration and recommendations made in the report tabled in June 1999. I would not go so far as to say that the committee had been deliberately misled, but I must say that evidence that should have been put before that committee was not.

It is always difficult when a dissenting report comes forward. I support the recommendations made in the dissenting section of the report, but I stress that that was only one aspect that the committee debated. On our side, we felt very strongly in this measure, so we signed that dissenting report; other members of the committee thought that we should wait until Mr Burchett brought down his report before deciding whether it was necessary to take the measures that we recommended.

We are keen to improve the whole process of military justice. I think anyone interested in the defence forces would want to see an improvement in military justice, and we hope that our report will go some way towards ensuring this. There have been significant improvements and we welcome those. Like the chair, I thank those who assisted us in this report, especially the secretariat staff, led by Margaret Swieringa.

Dr SOUTHCOTT (Boothby) (12.55 p.m.)—This inquiry was precipitated by media reports into rough justice occurring in 3RAR, and it subsequently generated great media interest during the hearings. It continues an interest that the Defence Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade has shown in the issue of military justice, culminating in a report on military justice and procedures, which was tabled in June 1999. The question which was never really answered was: why didn't the Department of Defence or the

ADF bring these issues to the attention of the committee? As the report highlights, these issues were being investigated within 3RAR while the committee's inquiry in 1999 into military justice was proceeding.

By examining the 3RAR allegations in depth, the committee has provided a case study to evaluate the implementation and reporting of justice and equity procedures within the defence department. By examining the issue, the committee can take some credit for the response from the ADF, which includes an audit team under Mr Burchett QC to examine whether 3RAR allegations are a one-off or more widespread, an inspector general to expedite complaints, a specific investigation into events at 3RAR and the ADF stand-down day in February 2001 to brief all members of the ADF on their rights and responsibilities in military justice. This is the correct role of the committee. I believe the role of the committee is to prod Defence and to keep Defence accountable but not to act as some sort of kangaroo court, sitting in judgment on others.

3RAR is the Army's parachute battalion. The battalion has a proud record stretching back to the Battle of Kapyong in Korea in 1951 and distinguished service in Vietnam and East Timor. The benefit of undertaking a detailed inquiry into 3RAR and the allegations is that it has allowed the committee to understand the organisational culture which was operating in one isolated company of 3RAR. Cultures are informal but in this situation appear to have been reinforced by key NCOs.

The committee is in no doubt that extrajudicial punishments were being carried out in A Company 3RAR from 1996 to 1998. These punishments took the form of illegal bashings. While the committee was concerned about intimidation as part of the culture, we were also concerned that the victims did not use available avenues of complaint. We do not believe that the culture which operated in A Company 3RAR from 1996 was widespread throughout 3RAR or widespread throughout the ADF. In addition, there was some suggestion in the media that 3RAR

might be disbanded. I do not think there was any support for this within the committee. This issue in fact was not even addressed within the committee.

I also want to address the role that the opposition has played on this committee. As the deputy chairman has said, dissenting reports are unusual. I think that the dissenting report is actually quite measured. What I want to talk about is the process of these hearings and so on over the last year. Parliamentary committees play an important role in providing scrutiny in their respective areas. The opposition raised these issues and pursued them with zeal. However, in their zeal, they lost sight not only of our obligations as a parliamentary committee but of our responsibilities to, in the words of the physician's dictum, first do no harm. Opposition members fail to realise that this inquiry has not been operating in a vacuum. There was always the danger that our investigations, which were not governed by rules of evidence or established procedures, had the potential to prejudice ongoing military investigations within military justice channels. As a parliamentary committee, we are not judge and jury. Our role is to prod and to scrutinise the Australian Defence Force and Defence, not to sit in judgment on individuals. As MPs, we should remember we are dealing with the reputations of service personnel and their units. This calls for care in dealing with allegations. The dissenting report, as I have said, was actually more careful than some of the deliberations we have had over the last year. The committee also had an unfortunate habit of leaking in camera evidence; this will be the subject of a Privileges Committee hearing later. The committee examined what we believe was an isolated culture operating within a company, A Company 3RAR. There was no evidence it was widespread. The changes announced by the Chief of Army will assist in highlighting this issue and increasing awareness within ADF ranks. The committee plans to revisit this issue in 12 months to determine whether the new changes and awareness are working well.

Mr PRICE (Chifley) (1.00 p.m.)—It is with pleasure as an opposition member that I

get up to support this report, *Rough justice? An investigation into allegations of brutality in the Army's parachute battalion*, of the Defence Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade, and all of its recommendations, and I thank the chair, the honourable member for Wannon, for what I think has been a quite difficult task. I have described the report as a snapshot of 3RAR. Others, including the Prime Minister, have sought to portray the report as a clean bill of health on bastardisation in the rest of the ADF. I do not agree. The committee heard only from a very limited number of soldiers from 3RAR. We did not call all those who came forward who had served in 3RAR. We did not call anyone who had been bashed by 3RAR members. We did not call anyone from any other army unit or any other service. The committee spent in total 1½ days on hearings, the majority of which was behind closed doors. One can debate the reliance on in camera hearings. For the record, I wish to state that the truth is not, and nor should it be, a privilege extended by the ADF to the committee only behind closed doors. From the evidence, the committee is in no doubt that bastardisation did occur in 3RAR. Drawing conclusions about the rest of the Army or the other two services is a risky business and the parliament will have to await the findings of the Burchett audit, and there is now far more responsibility on him and his team.

What is most amazing to me about this sordid affair is the utter lack of any ministerial leadership and indeed the extent of ministerial inertia and cover-up. The first record of a complaint was directly to the minister concerned. In March 1998, Mrs Nishimura complained on at least two occasions to the then junior minister, the Minister for Defence Industry, Science and Personnel, Mrs Bronwyn Bishop, about the bashings in 3RAR. Army took fully 12 months before it treated the matter formally. In May 1999, in an exercise of great deception, Minister Scott, the Minister Assisting the Minister for Defence, did not disclose the identity of 3RAR, which was the subject of a military police investigation, and the excuse he offered was that it

was 'inappropriate, as it may have prejudiced the investigation or legal proceedings'. Thus the committee, at the very time it was concluding its first report into military justice, was left ignorant of the bastardisation that two ministers were made fully aware of. In that three-year period what action did either minister take? Absolutely nothing. They claim to have been briefed, but they took zero—nil, no—action, issued no directions and no instructions. In those three years these impotent ministers have been moved to do absolutely nothing. For three years there has been no ministerial statement about bastardisation in general or in 3RAR in particular. There has not even been a dorothea dixer.

How can the public and the mums and dads of serving men and women believe that the government is serious about bastardisation when its ministers are constantly missing in action and bereft of a skerrick of leadership? Because of the abortive investigations and charging of those involved in bastardisation in 3RAR, consideration of command responsibility has been deferred to the end of the process. Let me say that, from the evidence presented to the committee, Command has much to answer. The committee is continuing to follow this issue closely and will again be briefed on Tuesday, 19 June by General Leahy, whose frankness I for one very much appreciate. I understand that charges have been laid against a lieutenant-colonel, but there has been no official confirmation of this. If this is true, silence can serve only to undermine public confidence. I call on the minister to confirm whether or not such charges have been laid.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! The time allotted for statements on this report has expired. Does the member for Wannon wish to move a motion in connection with the report to enable it to be debated on a future occasion?

Mr HAWKER (Wannon)—Yes, I do, Mr Deputy Speaker. I move:

That the House take note of the report.

I seek leave to continue my remarks later.

Leave granted.

Mr DEPUTY SPEAKER—In accordance with standing order 102B, the debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting. The member will have leave to continue speaking when the debate is resumed.

Treaties Committee

Report

Mr ANDREW THOMSON (Wentworth) (1.05 p.m.)—On behalf of the Joint Standing Committee on Treaties, I present the committee's report entitled *Report 39—Privileges and Immunities of the International Tribunal on the Law of the Sea and the treaties tabled on 27 February and 6 March 2001*, together with the minutes of proceedings and evidence received by the committee.

Ordered that the report be printed.

Mr ANDREW THOMSON—The report I have just presented contains the results of a review by the Joint Standing Committee on Treaties of 13 proposed treaty actions. They include: Agreement on Privileges and Immunities of the International Tribunal for the Law of the Sea, a series of air services agreements with Denmark, Norway, Sweden, Pakistan and Samoa, amendments to the agreements establishing the Asia-Pacific Postal Union, a mutual recognition agreement with Singapore, an amendment to the constitution of the International Labour Organisation, agreements with Denmark and South Africa for the reciprocal protection of classified information on defence, an agreement establishing the Pacific Islands Forum Secretariat, and a series of amendments to the Treaty on Fisheries between the Governments of Certain Pacific Island States and the United States of America. In this report we express support for each of these treaty actions.

I would like to talk briefly about two of them: the Agreement on Privileges and Immunities of the International Tribunal for the Law of the Sea and, briefly, the mutual recognition agreement with Singapore. The privileges and immunities agreement seeks to provide a more comprehensive regime of

diplomatic privileges and immunities from prosecution for the International Tribunal for the Law of the Sea, known by the acronym ITLOS, and its members, officials, counsel and witnesses. ITLOS has been established as a means of settling disputes arising between parties to the United Nations Convention on the Law of the Sea.

We on the committee accept that there are reasons to grant privileges and immunities to some international bodies exercising mandates of economic and political sensitivity. Parties to these disputes may see very large issues involved, maybe even of a domestic political nature, and hence it is a wise thing to grant diplomatic immunity to the persons involved in trying to settle the disputes. We accept also that these privileges and immunities will facilitate the effective functioning of this tribunal and that they will, in a sense, give the tribunal some extra credibility among its peers.

However, we consider that there is an unfortunate degree of uncertainty in the way in which the treaty text describes the persons upon whom such privileges and immunities are to be conferred. We recommend that, in future, agreements of this type ensure that terms such as 'experts', 'agents', 'persons performing missions' and 'counsel and advocates' are defined much more explicitly and precisely.

This review also highlighted what we regard as a deficiency in the reformed treaty making process. Since 1996 it has been the government's practice to ensure that any necessary legislation that is required to give domestic effect to a treaty action is put in place before, or at least at the same time as, the proposed treaty action is presented to parliament. In our view, the integrity of the reformed treaty making process would be enhanced if the government presented its legislative proposals to the treaties committee for consideration at the same time as we consider the treaty. Surely this is only logical, because that would allow the treaties committee to make a fuller assessment of the impact on Australia's domestic law of the potential implementation of the treaty. We

think it is a sensible and measured extension of the government's reformed treaty making process. Both the Attorney-General and the Minister for Foreign Affairs have indicated that they see merit in this idea. There are some issues of sensitivity with certain draft legislation, but I am sure that these can be overcome. We look forward indeed to the government formally amending the treaty making process to allow the committee to examine related legislation at the same time.

Before closing, I would like to commend to the House the mutual recognition agreement with Singapore. In our view, it is clearly in the national interest to establish mutual recognition agreements with major trading partners where it is possible to do so without jeopardising the quality of our domestic assessment processes and the health and safety of Australian consumers. I congratulate members of the committee on the hard work that they have put in in compiling this report, and I commend it to the House. (*Time expired*)

Mr WILKIE (Swan) (1.10 p.m.)—I rise to speak in support of report 39 from the Joint Standing Committee on Treaties. As has already been stated, the report relates to the consideration by the parliament's Joint Standing Committee on Treaties of 13 proposed treaty actions. While these treaty actions are fairly routine in nature, they represent an ongoing and important function of the treaties committee. The committee allows scrutiny of proposed treaties by the parliament and provides members of the public with the opportunity to have input into the merits and possible consequences of proposed treaties.

It is important to take this opportunity to place on the public record the strongest repudiation of those who believe the treaties that Australia ratifies in some way compromise this nation's sovereignty. Last week, in the Western Australian Legislative Council, the newly elected member for the Mining and Pastoral Region, the Hon. John Fischer MLC, used his maiden speech to be critical of Australia entering into international treaties. But treaties do not compromise this na-

tion's sovereignty. They reinforce Australia as a responsible international citizen, one which takes its role seriously by recognising the importance of entering into international agreements. Contrary to what Mr Fischer said, the report now before the parliament is the result of public hearings and various inquiries, resulting in all of these treaty actions being subject to detailed scrutiny.

Returning to the specific treaty actions contained in the report, a number of the 13 treaty actions demonstrate the tangible benefits to be gained by Australia from entering into international treaties. For example, the mutual recognition agreement with Singapore will simplify compliance requirements on Australian exporters seeking to sell their products in that market, in certain industry sectors. Western Australian companies will particularly benefit from this measure. Two-way trade between Australia and Singapore totalled \$A9.2 billion in 1999-2000. Western Australia accounted for nearly \$A3 billion of this trade, including nearly \$A2 billion worth of exports. The existing trade relationship can only strengthen due to this agreement.

The committee has proposed that the Department of Foreign Affairs and Trade conduct a formal evaluation of the benefits of such agreements for Australian exporters and consumers, at some time in the future. The parliament could then use this when considering the establishment of further mutual recognition agreements or the extension of the existing agreements. Such a measure is worthy of the support of the parliament.

The amendment to the constitution of the International Labour Organisation was considered by the committee to be a simple, sensible and no-cost treaty action. The treaty will enable the annual International Labour Conference to abrogate international labour conventions that have lost their purpose or no longer make a useful contribution to attaining the objectives of the ILO. This is a process that is not presently available, as out-of-date conventions can only lie dormant or be denounced to avoid their application. It is a worthwhile and practical measure.

In relation to the Treaty on Fisheries between the Governments of Certain Pacific Island States and the United States of America, the committee has had an ongoing interest in fisheries and environmental treaties, and our reports have supported treaty actions that provide sensible and effective measures to ensure management of fisheries. This agreement allows the US fleet long-line access to the treaty area, to which other nations with less environmentally responsible fishing records already have access, and allows two small Pacific island nations, Papua New Guinea and the Solomon Islands, an opportunity to enhance the capacity of their domestic fishing operations. While the treaty expands the opportunities for long-line fishing in the central and western Pacific Ocean, we consider that it should do so in a reasonable and measured fashion.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! The time allotted for statements on this report has expired. Does the member for Wentworth wish to move a motion in connection with the report to enable it to be debated on a future occasion?

Mr ANDREW THOMSON (Wentworth)—I move:

That the House take note of the report.

I seek leave to continue my remarks later.

Leave granted.

Mr DEPUTY SPEAKER—In accordance with standing order 102B, the debate is adjourned. The resumption of the debate will be made an order of the day for the next sitting and the member will have leave to continue speaking when the debate is resumed.

Communications, Transport and the Arts Committee

Report

Mr NEVILLE (Hinkler) (1.15 p.m.)—On behalf of the Standing Committee on Communications, Transport and the Arts, I present the committee's report entitled *Back on track: progress in rail reform*, together with the minutes of proceedings and evidence received by the committee.

Ordered that the report be printed.

Mr NEVILLE—I formally table this report today, *Back on track*, having presented it to the Speaker out of session in Melbourne on 11 May during the Centenary of Federation celebrations. My colleagues and I on the House's transport committee felt that this was appropriate, as it was probably 74 years since the last such report was presented there. We wanted to make the point that the one area in which Commonwealth and state cooperation has been clearly lacking is that of rail.

In April last year the government issued its response to *Tracking Australia*, the committee's earlier report on the same subject. The government acknowledged that considerable economic and social advantage would flow from an efficient interstate rail network. It also noted that the present interstate rail network is not managed efficiently and that further reforms are needed. To encourage these reforms, the government proposed a series of benchmarks aimed at facilitating access to the interstate rail tracks for rail operators based on mutual recognition of accreditation and the harmonising of safety standards. Moreover, the government committed itself to considering legislative intervention to achieve these aims if the states and industry were not able to achieve them by mid-2001.

It is now mid-2001, and the reform benchmarks have not been achieved. We conclude in *Back on track* that further reform will not be achieved without direct and forceful Commonwealth government intervention. Four actions are imperative. First, the government must declare the existing standard gauge rail line from Brisbane to Perth to be a national track. Second, the government must establish a national rail network manager to ensure a consistent access regime for operators. Third, the government must establish a national rail transport commission to ensure coherent cross-border planning for the future of the industry. Finally, the government must fund a significant infrastructure redevelopment program to overcome chronic deficiencies in rail infrastructure.

Declaration of the national track is the cornerstone of this package. It could parallel the national highway declaration and its undoubted benefits to the road transport industry. Specifically in rail, it would allow integrated and efficient management of track to a much greater level than at present; provide a harmonised operating environment for private sector rail operators; provide a stable, consistent regulatory environment for private sector investors; and, importantly, define government funding responsibilities with a clarity that they lack at present, thereby providing both rationale and opportunity for targeted government intervention and investment at a rate which reflects rail's potential contribution to the national transport task.

There is also a desperate need for the Commonwealth to fund major below track infrastructure development. What my committee asks for is not pie-in-the sky stuff. As my electorate and that of my colleague the member for Capricornia straddle the north coast railway line from Brisbane to Rockhampton, I have experienced the benefit of superior below track infrastructure. In combination with Queensland's tilt rail, this has nearly halved this sector's passenger rail time over the past decade and upgraded freight movements to a more efficient level. It can happen elsewhere in Australia. It is a great opportunity. The community and industry want better rail services. *Back on track* has mapped out the regulatory and management reforms that are needed, and the ARTC has revealed a coherent set of national investment priorities.

We are deeply concerned that the rail industry attracts a relatively small proportion of government funding for transport infrastructure. We do not quibble with the need for continuing high levels of road funding. Indeed, the committee supports such a move in its 1997 report, *Planning Not Patching*. But we do believe that a better balance needs to be achieved in funding the development of our national transport infrastructure. I am pleased to note that the recent national infrastructure audit of the Australian Rail Track Corporation has provided a blueprint of in-

frastructure investment options along with the assessments of scope feasibility and the cost of such works. All that is needed now is the political will to confront the challenge of reform—the will to cut through the parochial concerns, vested interest and red tape that bind the industry to its past. I am hopeful that the government will accept this challenge and deliver the reforms that have been foreshadowed in *Back on track*. I commend this report to the House.

Ms LIVERMORE (Capricornia) (1.20 p.m.)—I am pleased to be given the opportunity to comment on the latest report of the Standing Committee on Communications, Transport and the Arts, *Back on track*, which reflects the major issues raised by participants at a seminar convened by the committee late last year. The aim of last year's seminar—which I am sure honourable members have heard from the chairman, the member for Hinkler, already—was to bring back the key people and organisations involved in the 1998 inquiry that resulted in the committee's *Tracking Australia* report so that we could assess the progress made towards the recommendations listed in that report and its companion reports, the Smorgon report and the Productivity Commission's report, and the benchmarks set out by the Commonwealth government in its response delivered in April 2000. I was not on the committee for that major report of 1998, *Tracking Australia*. I naturally have a great interest in rail, however, because it is an important part of the local economy in Rockhampton, providing many hundreds of jobs, and it plays a vital role in the coal industry in my electorate.

Having not been on the initial inquiry, I did not go into the seminar last November with a detailed knowledge of the specific aspects of the rail industry reforms canvassed in the earlier report. It was interesting, though, that you did not need that detailed knowledge to pick up the overall impression of the industry players around the table—that their commitment to a dynamic, efficient industry, with a big future and a significant role to play in Australia's development and economic success, was not being

matched by government. As the chairman pointed out in his foreword to the *Back on track* report:

While responsibility for ensuring the continuing development of the industry lies with many players, we believe that the cornerstone of the reform effort is political will.

The need for leadership at a Commonwealth level and a strategic national approach to rail infrastructure and the rail industry was a constant theme throughout the discussions at last year's seminar and is reflected in the committee's recommendations to the Minister for Transport and Regional Services. As I mentioned before, I am relatively new to this committee, but it comes as no surprise to me that what has been identified as missing in the transport portfolio, particularly in relation to the rail sector, is leadership, an integrated strategic approach and, last but not least, some action. As a representative of a regional electorate, I have made the same lament in relation to this government's lazy and slapdash efforts in regional development. At least the minister, John Anderson, is being consistent across his portfolio responsibilities, even if not being constructive.

It was clear from the seminar that the industry is crying out for support and leadership from the minister. A particular problem area is in the planning of our rail transport needs and capacity and the development of infrastructure. So far, the minister's response has been at odds with the industry's wishes. In 1999 at the Ausrail conference the minister said that the government does not support a centrally planned approach which might be seen to be dictating national transport development. It seems that the minister's views criticising central planning for rail have become obsolete in any event, following the release of the Australian Rail Track Corporation's audit of the national network based on the corridor analysis methodology to widespread support from the industry. In the absence of any vision coming from the minister, the committee has recommended that the results of the ARTC's national infrastructure and performance audit be used as a guide to future investment in rail infrastructure.

What the minister derides as central planning in danger of dictating national transport development, the Labor Party sees as responsible management of an important facet of national infrastructure. The Labor Party will not take the same reactive ad hoc approach to national transport infrastructure as this government. Our policy is very clear about our intention to be much more proactive in bringing together state governments, industry players and private investors to develop a coherent integrated land transport system. For example, our policy platform includes a commitment to an integrated national rail network and tracks of national significance to the operation of the economy, including efficient intermodal connections, particularly airports. We promise to designate the interstate rail mainline network from Perth to Brisbane as the national rail system and maintain it in public ownership.

Furthermore, there is a promise to develop a national transport planning strategy and processes that provide for fair competition between modes, transparent and objective criteria for investment, equality of modal treatment in regulatory and financial issues, and policy integration with environmental, energy and land use objectives—just some examples of our approach to national infrastructure planning. In contrast the minister, John Anderson, has had three major reports in the last four or five years, plus this supplementary one, and so far has made no moves to address these issues. (*Time expired*)

Mr McARTHUR (Corangamite) (1.25 p.m.)—As an active member of the Standing Committee on Communications, Transport and the Arts, I commend the *Back on track* report to the parliament. I also actively participated in the *Tracking Australia* report of 1998, which was a landmark report in railway reform for Australia. That report particularly identified rail freight, the above and below line structures and the inadequacies of a number of rail lines throughout Australia. It noted the good operations of the east-west rail from Melbourne to Perth and the poor operations of the Melbourne to Brisbane north-south line. In particular, the *Tracking Australia* report noted the Perth-Melbourne

line, which has 74 per cent of the freight traffic. That is the highest percentage figure in the world for rail freight traffic compared with road. That particular railway runs through the heartlands of Corangamite and we can see, day by day, the effectiveness of that rail line—where the private sector has operated and where there are good, improved rail structures. Privatisation has been identified, with Freight Victoria now injecting capital into the Victorian system and opening up new railways that cart logs from Bairnsdale to Geelong. We can see SCT, again a private operation, operating out of Laverton.

The three reports, *Tracking Australia*, the Smorgon report and the Productivity Commission report, identified much the same problems in Australian railways. I would just like to quote the sorts of things they identified:

- land transport planning;
- increased investment in the interstate track;
- better management of and access to the interstate track;
- competitive neutrality between private and government owned operators;
- competitive neutrality between road and rail;
- fragmentation of schemes providing access to rail infrastructure; and
- inconsistent operational and safety regimes.

The setting up of the Australian Rail Track Corporation to provide access is a step in the right direction, although there are obviously concerns about the price and the ability of that particular corporation to operate effectively as it is fairly new. As the chairman, the member for Hinkler, has said to the parliament, we are recommending that \$250 million be invested in rail infrastructure over four years—a minuscule amount compared to the vast amounts of money that are put into roadworks. The committee are very happy with the government's proposition to sell National Rail so that those operators who purchase National Rail will be in the private sector.

The report identifies a very important feature—that railways have long not been able to prepare in advance, having had their 'plans in the drawer', so to speak. We saw

situations where, when the track was standardised, old life-expired rail was put back on old sleepers. So we want to overcome that sort of problem. We need to have harmonised relationships between historically run state operations, where radio and signalling are standardised in a Commonwealth way. By way of comparison, if the states controlled the airspace, where Ansett and Qantas were using state-by-state regulations, we could see the chaos that would emerge from that. We need to make sure that access to the rail systems is known and that accreditation is at a federal level. We draw a comparison between the national highway system, where trucks can drive from Cairns to Perth having one type of situation.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! The time allotted for statements on this report has expired. Does the member for Hinkler wish to move a motion in connection with the report to enable it to be debated on a future occasion?

Mr NEVILLE (Hinkler)—I move:

That the House take note of the report.

I seek leave to continue my remarks later.

Leave granted.

Mr DEPUTY SPEAKER—In accordance with standing order 102B, the debate is adjourned. The resumption of the debate will be made an order of the day for the next sitting, and the member will have leave to continue speaking when the debate is resumed.

DEFENCE ACT AMENDMENT (VICTORIA CROSS) BILL 2001

First Reading

Bill presented by **Mr Sidebottom**.

Mr SIDEBOTTOM (Braddon) (1.30 p.m.)—I present the *Defence Act Amendment (Victoria Cross) Bill 2001*. I do so on behalf of many people. It is my attempt, along with colleagues in this House and in the Senate, from both sides of politics, to tackle what many believe are some glaring anomalies in the military honours system of this country. It is in no way intended to be a slight on or to cast aspersions on any member of our armed forces throughout the years,

be they recipients of military honours or those who sat in adjudication of these; nor is it intended to reopen old wounds surrounding the awarding, non-awarding or even under-awarding of military honours.

It is intended to fully and formally recognise three Australian servicemen who performed outstanding feats of courage in the name of their country and for their fellow servicemen. I have, along with other politicians through the years, been accused by some of politicising the honours system by questioning what did and did not happen in terms of recognising the valour and courage of various service men and women. If by that people mean that I and others have sought to have decisions made to honour such acts, then so be it. If they mean I and others have sought to use the political process to do this, then so be it.

Political lobbying, legislation and regulation are the means to bring about such an end. They are also the means that people and groups use to achieve change. It is the democratic way of influencing decision making and taking things forward. It is the legitimate way of correcting anomalies. Indeed, how else does it happen, unless it is through more extreme means? The three men proposed in this bill are worthy of the award of the Victoria Cross in recognition of their most conspicuous bravery and valour. The actions of Gunner Albert Cleary of the 2/15 Field Regiment, Royal Australian Artillery, Private John Simpson Kirkpatrick, 3rd Field Ambulance, AIF, and Ordinary Seaman Edward Sheean of HMAS *Armidale* were clearly:

... pre-eminent acts of valour ... or self-sacrifice or extreme devotion to duty in the presence of the enemy.

There are numerous testimonies—contemporary and continuous—that each of these men fulfilled the requirement for a Victoria Cross. That their actions were conspicuously brave, pre-eminently acts of valour, acts of self-sacrifice and acts of extreme devotion have been argued for years. Each of them died because of these actions, and none of them had these deeds formally recognised, beyond

Teddy Sheean being awarded a posthumous generic mention in dispatches.

Over the years, family, veteran associations, community lobby groups and parliamentarians of all political persuasions have sought to have the extraordinary deeds done by these ordinary servicemen properly recognised with the award of the Victoria Cross. Members of this House and the Senate have been part of the campaign. The members for Shortland and Franklin recently raised the case of Simpson Kirkpatrick; Senator Chris Schacht and the member for Corio have promoted the case of Albert Cleary; and I, along with the members for Cowan, New England and Indi, promoted the case of Teddy Sheean. I also particularly commend the past and present efforts of people such as Frank Walker and the National Corvettes Association, Gary Ivory, Max Sheean, Rex Pullen, Senator Don Devitt, a former federal member for Batman, Captain Sam Benson RAN, John Bradford, Michael Carlton, Mr Fred White and David Richards, amongst many, on behalf of Teddy Sheean.

The remarkable story of Private John Simpson Kirkpatrick and his donkey named 'Murphy' is well known to every Australian. His deeds of valour at Gallipoli are legendary. For 24 days, Simpson tended and ferried the wounded and dying through the infamous 'shrapnel valley', while exposed to enemy fire, grenades and artillery bombardment. It is recorded that in this time Simpson rescued as many as 300 soldiers. The story of Simpson's rescue missions was common knowledge among Anzac diggers, including the highest ranked officers. The commanding officer of his unit, Captain Lyle Buchanan, remarked that Simpson had earned the Victoria Cross 50 times over, and he was said by General Sir John Monash to have been worth more than 100 men. Simpson was on one such mission into no-man's-land when he was shot and killed in the afternoon of 19 May 1915. He was 22 years of age.

There is confusion surrounding the reason that Simpson was not awarded military honours, including the Victoria Cross. Some historians argue it may have been the case

that a VC could be given only for acts of conspicuous gallantry which were materially conducive to the gaining of a victory. Whatever the case, Simpson's deeds were not formally recognised with a military honour but came to symbolise the Anzac tradition.

Albert Neil Cleary was imprisoned by the Japanese after the fall of Singapore, and was murdered while a prisoner of war in Borneo on 20 March 1945. Gunner Cleary, along with thousands of his fellow Australian and British prisoners of war, was forced to march on the infamous death marches through the jungles of Borneo. Having survived the first of these marches from Sandakan to Ranua, Cleary escaped but was captured four days later. Handed back to the Japanese, Cleary was subjected to a sustained and brutal regime of unimaginable torture and mistreatment. He endured this pain for 11 days until dumped by his captors in a gutter. His fellow POWs sought to comfort him in his last hours. He too died at the age of 22 years.

The enormous courage and fortitude displayed by Gunner Cleary in his attempt to escape and throughout the subsequent ordeal was an inspiration to those with whom he was incarcerated. Contemporary evidence would suggest that little was done at the administrative level to formally recognise the ordeal and actions of POWs, particularly those who lost their lives in trying to escape. Unfortunately, Gunner Cleary's courage was one such example. However, just as Simpson's and Sheean's actions grew to become symbols of courage for their respective services, so too the awarding of the VC to Albert Cleary would add honour to the memory of the 1,700 POWs who died in Borneo at the hands of the Japanese.

I have spoken in this House a number of times about the extraordinary valour of Ordinary Seaman Edward 'Teddy' Sheean. Teddy was a junior sailor on HMAS *Armidale* when it was attacked and sunk by Japanese aircraft off the coast of Timor on 1 December 1942. Whilst his ship was quickly sinking and in the midst of the chaos of evacuation, Teddy strapped himself to his Oerlikon gun to repel the oncoming aircraft

strafing his fellow crewmen in the water about him. Sheean was hit twice but kept firing his gun, even as HMAS *Armidale* disappeared beneath the surface. He was 18 years old.

Almost the same type of incident occurred off the south coast of England in July 1940. Just as in the Sheean example, the courage and valour of Leading Seaman Jack Mantle aboard HMS *Foylebank* at Portland helped save many of his colleagues battling to survive in the sea around him. Fittingly, Jack Mantle RN was posthumously awarded the VC. Teddy Sheean RAN on the other hand posthumously received a mention in dispatches. There has been a campaign ever since to right what many have regarded as a bureaucratic oversight. Mr John Bradford of Adelaide, author of *In the Highest Traditions (RAN Heroism, Darwin 19 February 1942)* in correspondence with me on this issue pointed out that much of the confusion surrounding Sheean's case stemmed from the fact that mention in dispatches was the lowest grade of award for gallantry that could be awarded posthumously. The only other award was the Victoria Cross—there was no in between.

Sheean's case relied heavily on the report of proceedings provided by his commanding officer to the board of inquiry following HMAS *Armidale*'s loss. Unfortunately, Sheean's conspicuous gallantry was only briefly recorded by his CO. The process of recommending awards for gallantry in the Royal Australian Navy, as opposed to the Royal Navy, was a story of comparative discrimination—discrimination, it should be pointed out, which did not exist for the AIF or the RAAF.

In his search for justice for Teddy Sheean, Frank Walker, author of *HMAS Armidale—the Ship That Had To Die*, has pointed to the inadequacy of the awards system as related to the RAN. Unlike the AIF and the RAAF, where awards were recommended and decided by Australians in Australia, RAN awards were not. The Australian Commonwealth Naval Board, headed by a seconded Royal Navy officer, had to send recommen-

dations to the Admiralty in London, where the awards and honours committee made the decision. Furthermore, Walker points out that commanding officers of Royal Navy ships were entitled to recommend sailors for certain awards but the captains of Royal Australian Navy ships were instructed that 'the nature of the award is not to be suggested'.

Clearly, for a variety of reasons, there was little enthusiasm to seriously advance the case of Teddy Sheean by the ACNB or other authorities in Australia upon receipt of the final report of proceedings for HMAS *Armidale*. According to historian John Bradford, the Australian government of the day did not appear to be well informed about the sequence of events which drove Sheean to display such heroism, nor did it avail itself of its newly established powers, issued as a royal warrant on 31 December 1942, to recommend the Victoria Cross. Surprisingly, there is nothing to suggest the Australian government ever exercised these powers throughout the rest of the war.

To this day, no member of the Royal Australian Navy has been awarded the Victoria Cross. Why is this? This is the reason so many people have campaigned for Teddy Sheean to be posthumously awarded the Victoria Cross. It is a VC not just for the extraordinary valour and courage of Teddy Sheean but for every act of courage performed by members of the Royal Australian Navy since its inception at the beginning of the 20th century. The failure or refusal to act on behalf of the calls for proper recognition of the valour and gallantry of the three servicemen mentioned in this bill is best summed up in the following chronicle related to Teddy Sheean.

In a letter full of bureaucratic speak dated 25 October 1999, a senior defence adviser to the Minister for Veterans' Affairs pointed out that the End of War List for World War II has been completed, and because Teddy Sheean was not recommended prior to this, he therefore stands ineligible. The adviser wrote:

It is not practical for better judgements about individual actions or merit to be made at this time than were made by contemporary authorities who

had direct access to eye witness reports and could test evidence when it was fresh.

The adviser recognises in the correspondence the fact that Sheean should have been awarded 'a gallantry award of a higher stature', but not now in hindsight. The danger:

... creating a precedent for unwanted and perhaps divisive comparisons between these 'hindsight awards' and those recommended and granted at the time.

In a condescending paragraph, the adviser—again stressing the great courage of Sheean—writes:

... the reality of military life under operational conditions is that men and women enter life threatening situations as an integral part of their duty. That some of those individuals are singled out for gallantry awards is fitting; but again, the reality is that many who do perform acts of great courage are never recognised.

The point is that where glaring omissions occur or the evidence clearly indicates that recognition should take place, it should. The whole point of the honours system is to honour the deed, not to avoid it. I find the question of retrospectivity an interesting one when dealing with government's willingness or unwillingness to act on issues. Generally it is frowned upon and every argument is thrown up to avoid it—until, that is, it is politically expedient to justify it. One only needs to investigate numerous areas related to veterans' affairs to see this at work. Take, for example, issues related to Vietnam vets, the Malay campaign, Korea and POWs—all causes which hit the proverbial bureaucratic brick wall, only to be dealt with retrospectively when politically necessary or expedient.

I have read the correspondence, for example, related to attempts by the National Servicemen's Association to get formal recognition of their service. 'Impossible,' warned various ministers' letters; 'In no way different from normal peacetime duties,' it was claimed; 'A divisive comparison of recognition,' said others. So, after years of lobbying and with an election in the air, there is an announcement that a special medal would be struck for the thousands of men who were conscripted as national servicemen in peace-

time. What changed in all these cases? Were they wrong then and gradually became right? No, they were right then and nothing has changed except the political will to do something about them. It is the political will that determines what happens, and we are calling for this to happen in this case. If the fear of precedent is the danger, then that danger is being dealt with all the time.

Albert Cleary, John Simpson Kirkpatrick and Teddy Sheean died in the service of their country. Each performed extraordinary acts of valour and served as a great example for their fellow servicemen at the time and subsequently. Each is remembered and honoured in a variety of ways by family, friends and supporters. Indeed, the nation honours them, but none is honoured with our highest award for gallantry—the Victoria Cross. In this year of the Centenary of Federation, we have the occasion, the way and the means to make this happen. What we need is the political will.

I commend to the House the valour and deeds of these remarkable young men who died defending their country, and the spirit and intention of this bill to formally recognise their self-sacrifice. Lest we forget. I seek leave to table a paper.

Leave granted.

Bill read a first time.

Mr SPEAKER—In accordance with sessional order 104A, the second reading will be made an order of the day for the next sitting.

STATEMENTS BY MEMBERS

Vietnam: Campaign for Religious Freedom

Mr RIPOLL (Oxley) (1.45 p.m.)—The recent arrest of Father Ly, a Catholic priest, in Vietnam is a sad turn of events that has considerably set back progress in that country. Father Thaddeus Nguyan van Ly, who has been campaigning for religious freedom in Vietnam, was arrested on 18 May at about 5 a.m. at the An Truyen Parish Church in the Hue Archdiocese, Central Vietnam. It is claimed that around 600 security agents surrounded and broke into the church to arrest

Father Ly. This news was confirmed by Dang Cong Dieu, who is the chairman of the people's committee in Phy An village where the church is located.

The Catholic priest has been arrested and detained because allegedly he has 'defied the order and continued to slander the party and government policies on religious freedom'. Father Ly is not new to being arrested or held in detention for his campaign for religious freedom. Father Ly spent 10 years in jail between the years 1970 and 1990 and since 1992 has been kept under strict police supervision. These events are very sad because religious freedom is one of the most sacred of human rights. It is paramount to freedom of speech and freedom of faith.

I know that the Vietnamese community in Australia are very deeply disturbed and saddened by the arrest of Father Ly and see this move as a huge setback for freedom of religion, speech and media in Vietnam. If the Vietnamese authorities and the Vietnamese people are to grow and prosper economically and spiritually, then, before any other progress is made, the most essential growth of the nation must first take place—that is, the freedom to express one's personal faith. I pray this happens soon.

Australian Defence Force: Cadets

Mr NEVILLE (Hinkler) (1.47 p.m.)— I rise to congratulate the Parliamentary Secretary to the Minister for Defence, the Hon. Brendan Nelson, who has worked through the wide-ranging recommendations of the report *Cadets: the future* and has presented a three-year implementation plan to the government, which it has adopted. I wholeheartedly support the government's vision for the ADF cadets to provide opportunities for all young Australians to experience comprehensive personal challenges. It should enhance self-esteem, nurture self-discipline and provide adventurous enjoyment, as well as giving young people a taste of a possible military career. As a former cadet myself, I support enhancing cadets' participation in military like activities, including the use of closely supervised firearms for cadet units who want them. I shot .22s, .303s, Owen

guns and Bren guns at Canungra in my final year in cadets. To this day, I have a healthy and abiding respect for firearms. I still get a chill if I see anyone pointing a muzzle into the air. This is a positive step in the right direction for young cadets. I congratulate Dr Nelson and the government for their vision.

Greenway Electorate: Wyndham College

Mr MOSSFELD (Greenway) (1.48 p.m.)—Last week, I had the honour of presenting the Edmund Barton biography to Wyndham College at Quakers Hill in my electorate of Greenway. Wyndham College is a comprehensive senior high school operating within the Nirimba collegiate group of schools. The college draws students from years 7 to 10 schools within Greenway—Quakers Hill High, Riverstone High and Seven Hills High. The college is situated in the Nirimba education precinct, co-located with the University of Western Sydney, Blacktown, Western Sydney Institute of TAFE and Terra Sancta Catholic High School. The book presentation was made during a special assembly which included a presentation of the recent year 12 Great Barrier Reef excursion, sports presentation and musical and dance items. I thank the school community and the principal, Ian Wing, for the hospitality shown to Jan and me on the day.

Wyndham College opened in 1999 with state-of-the-art facilities and offers unique advantages for students, including opportunities for student leadership through the student representative council, Duke of Edinburgh Awards and public speaking engagements. One of Wyndham's senior students, Ehsan Fallahi, recently attended the Prime Minister's National Youth Roundtable here in Parliament House. Wyndham College also offers an extended timetable structure which allows for greater flexibility in subject choices: 52 courses are currently being delivered to year 12 students. The school motto says it all: Working together to widen horizons.

Community Legal Services, Victoria

Mr BILLSON (Dunkley) (1.50 p.m.)— I rise today to commend the insightful and informed assessment by our Attorney-

General of the implementation advisory group report on the review of community legal services in Victoria. I have spoken in this place before about the fantastic service provided by the Peninsula Community Legal Service. They service a catchment of some 720,000 people, providing a range of services centred in my electorate of Dunkley at Frankston but offering outreach services in other offices in the south-eastern and growth corridors of Melbourne. They do a fantastic job. They attract not only federal money but also resources from local councils and even from some of the student union organisations in the local universities. They offer extension work into the more difficult areas. They offer consumer advice, advocacy and family law support. It is a model service, but the Bracks government has proposed to withdraw funding from them and to change their area.

The report which the Attorney-General refers to shows that the Commonwealth provides \$4.2 million a year to Victorian community legal services, double what the Victorian government provides. If the Victorian government wants to provide more funding of services in outer metropolitan and regional areas, it should simply lift its game. It should up its contribution. It should even aspire to match what the Commonwealth provides, not strip money from perfectly functioning excellent services that are already established, to paper over the fact that the Bracks state Labor government in Victoria provides only three per cent of the funding for community legal services in rural and regional Victoria.

Veterans: Prisoner of War

Mr COX (Kingston) (1.51 p.m.)— I draw the House's attention to a letter which appeared in the *Australian* on 30 May from Kevin Smith of Shenton Park in Western Australia. He wrote regarding the \$25,000 ex gratia payment to Australian prisoners of war of the Japanese or their surviving spouses and says:

My mother 87, and the widow of a POW who died in a Japanese camp, did so. She received a return phone call—

from Veterans' Affairs; she had responded to their advertisement—

which advised her that she may not be entitled to the full amount, depending on her income.

I would like to know why the government was not able to say—at the very beginning—that there was this catch. It looks like the \$1000 debacle all over again.

The Minister for Veterans' Affairs has written to the *Australian* responding to this, this morning. He says:

In response to the concerns raised by Kevin Smith, I can assure your readers that the \$25,000 payment announced in the federal Budget ... will be paid in full to all eligible recipients.

The ex gratia payment is not subject to any means test. It will not affect any veteran disability pension or war widow's pension. It is not taxable. It will not be counted as income or an asset for income support pensions paid by the Department of Veterans' Affairs or Centrelink.

However, the budget papers say:

The measure will cost \$247.8 million. The payment itself will be non-taxable, exempt under the lump sum income testing rules and will be classified as an exempt asset under the assets test.

But the budget papers say:

The deeming rules will apply to the payment.

Therefore, with the payment sitting in the pensioner's account, the pensioner will have their pension reduced. (*Time expired*)

Cook Electorate: Sharks Leagues Club Redevelopment

Mr BAIRD (Cook) (1.53 p.m.)—Tonight there is a very important meeting at Sutherland Shire Council chambers on the future of the proposal for the redevelopment of Sharks Leagues Club. I rise to condemn the gagging of meaningful public debate by Sutherland Shire Council in the lead-up to this meeting. The Cronulla Sharks have made a huge contribution to the Sutherland Shire, not only in rugby league but also in giving support to local charities, and they have boosted the local economy through financial support of various community projects.

It has been six months since the Sharks submitted their redevelopment plan to council, and it still has not gone on display. The proposal is aesthetically pleasing and places

environmental concerns right at the top of the priorities. The project also promises further benefits to our economy, including the provision of conference and convention facilities as well as hotel rooms to attract more of Sydney's lucrative tourism dollars. A further advantage to our community is the inclusion of aged care housing, of which there is a desperate shortage in the southern region of Sydney. The actions of Sutherland Shire Council represent a petty and cynical attempt to win approval from a vocal minority resisting this excellent proposal, solely because it is another development—not on its merits. In fact, the vast majority of local people I have spoken to are supportive of the Sharks' plan. I simply say this to the councillors: make sure that you support the Sharks' proposal and do not give in to this vocal minority but put the priorities of the shire and the Sharks first at tonight's meeting.

Lowe Electorate: Homebush Boys High School

Mr MURPHY (Lowe) (1.54 p.m.)—Homebush Boys High School in my electorate of Lowe is a shining example of our public education system. At the invitation of the school's very respected principal, Mr Ian Patterson, I was delighted on Friday, 4 May 2001 to speak to the student assembly about Federation and to present to the school the biography of Australia's first Prime Minister, Edmund Barton, written by the noted historian Geoffrey Bolton. In addition to his notable political achievements, I was delighted to let the young students know that Edmund Barton was born in nearby Glebe on 18 January 1848 and that in the early 1840s the Barton family lived not far from Homebush on the family's 104-acre estate in Five Dock, which is in my electorate of Lowe.

Following the school assembly, I was invited to open the school's Centenary Garden in the presence of Year 7A geography class and Mr Neil Francis, student representative council members and deputy principals Mr Bill Hilliard and Mr Tim Jurd. The garden comprises six bottlebrush trees and grevillea trees representing Australia's six states and two territories. The creation of this garden is

a wonderful environmental initiative by the school to mark Australia's Centenary of Federation. As the garden grows into something even more beautiful, it will provide a permanent place for historical and personal reflection for the students. It will also stand as a poignant environmental symbol, reminding the students to take care of our mother earth. Well done, Homebush Boys High School.

Regional Airlines: New South Wales Services

Mr St CLAIR (New England) (1.56 p.m.)—On Friday last I represented the Commonwealth at a meeting of regional airlines in Sydney. I certainly welcome the formation of a working group to examine ways of improving the viability of small regional airline services in New South Wales. The working group will prepare a submission to federal and state transport ministers by 27 July 2001. It will examine issues such as the cost pressures on regional airlines and the role of the New South Wales government in regulating regional air services. New South Wales is the only state that continues to regulate its regional airlines and is the only state where the loss of regional airline services is a major issue. For example, both Western Australia and Queensland have been highly successful in maintaining air services on very remote routes. In contrast, the federal government has made an enormous contribution to the viability of New South Wales regional airlines. Amendments to the Sydney airport slot management scheme will protect regional airlines, and we have imposed price controls on the airport to ensure that they cannot be forced out by punitive increases in charges. Those two measures alone will not be affected by the privatisation of the airport and guarantee that regional airlines cannot be forced to relocate to another airport, such as Bankstown. As a result of those decisions, regional airline travellers will always be able to fly into Sydney airport. (*Time expired*)

Middle East: Israeli-Palestinian Conflict

Mr DANBY (Melbourne Ports) (1.57 p.m.)—On Friday night in Tel Aviv outside a nightclub 20 young people, mainly young

women, were blown to pieces by a suicide bomber. This took place at a time when the government there had abided by a unilateral cease-fire. In the view of many people around the world, it could not have come at a worse time, given the fact that there is international support for the recommendations of the Mitchell committee supporting a cease-fire, to be followed by the resumption of negotiations. I note with approval the liaison of the German Foreign Minister, Joscka Fischer, with Palestinian Authority Chairman Yasser Arafat in announcing Palestinian compliance with an immediate cessation of violence. I hope the government of Israel continues its forbearance in sticking to the cease-fire, and equally I call on the Palestinian Authority to commit to the cease-fire in word and deed. The death of 20 young women can advance no-one's cause.

Murray-Darling Basin: Water Quality

Mr PYNE (Sturt) (1.59 p.m.)—I rise today to raise in 90-second statements a matter that will be close to your heart, Mr Speaker, and that is the Murray River and the quality of the water that Adelaide residents have to tolerate as a consequence of the states being unable to agree to coordinate their approach to the Murray-Darling river system. The state that bears the most odium for its lack of co-operation with the Commonwealth government is the state of Queensland. The states of Victoria, New South Wales and South Australia and the Commonwealth have moved eons in cooperation over the last 10 years, particularly under the environmental ministry of Robert Hill. But Queensland continues to hold out against the Commonwealth and the other states, and continues to clear thousands of hectares of land a year. I have proposed in recent times, as you would have seen in the *Advertiser*, Mr Speaker, that the Commonwealth conduct a referendum to delete section 100 from the Constitution and give itself a head of power under section 51 to control the Murray-Darling River system.

Mr SPEAKER—Order! It being 2 p.m., in accordance with standing order 106A, the time for members' statements is concluded.

DIVISION OF ASTON: BY-ELECTION

Mr SPEAKER—I inform the House that on Friday, 1 June 2001 I issued the writ in connection with the by-election for the division of Aston, and the dates fixed were those announced to the House on 24 May 2001.

MINISTERIAL ARRANGEMENTS

Mr HOWARD (Bennelong—Prime Minister) (2.00 p.m.)—I inform the House that the Minister for Trade will be absent from question time this week. He is visiting Japan and China for bilateral discussions and for the APEC trade ministers meeting in Shanghai. The Minister for Foreign Affairs will answer questions on his behalf.

QUESTIONS WITHOUT NOTICE

One.Tel: Employee Entitlements

Mr BEAZLEY (2.01 p.m.)—My question is to the Prime Minister. Prime Minister, haven't you been forced to act on One.Tel, overruling your minister in a knee-jerk reaction to save your own political skin? And didn't you intervene last year, in the case of National Textiles, again in a knee-jerk panic, to provide a one-off payment to that company? Prime Minister, instead of these ad hoc knee-jerk reactions, isn't it time for you to adopt Labor's national employee entitlement scheme? That will provide a permanent solution guaranteeing 100 per cent of all workers' entitlements—

Mr SPEAKER—The Leader of the Opposition cannot advance an argument, as he is aware.

Mr BEAZLEY—in Australia, including the forgotten people at Braybrook Textiles, Scone meatworks—

Mr SPEAKER—The Leader of the Opposition will come to his question.

Mr BEAZLEY—and Grenadier Coating.

Mr HOWARD—You were going to do something about it in the 14th year. The reality is that you had 13 years to do something about this. The simple reality is that the people who should be funding the entitlements of the One.Tel employees, if there is a receivership or a liquidation and there are not

assets in the company to do it, are Messrs Rich and Keeling, through a refund of the bonuses. They are the people who should be making the payment. If that does not happen, our position is this: our scheme will be triggered, and if the New South Wales government will match its rhetoric with a bit of action those One.Tel employees can be paid their entitlements. I would hazard to suggest that, in the absence of precise details of the employment arrangements of each of the employees—because they are not available—given that the company has only been in operation for a period of two or three years, most of these employees would not have been working for the company for a long time.

The Leader of the Opposition mentioned National Textiles. In the case of National Textiles, the New South Wales government chipped in the same as the Commonwealth. If the New South Wales government were prepared to do that, I would be able to confidently assert in the parliament right now that the great bulk of all of the entitlements of those One.Tel workers would in fact be met. I would remind the opposition that, since early last year, the federal government has paid just over \$2 million to New South Wales employees who have lost entitlements. Nearly 1,000 New South Wales workers would have received more under the scheme if the Carr government had met its share. The Australian public is entitled to look to the performance of Labor governments. The most senior Labor figure in Australia is the Premier of New South Wales. That Premier stands condemned right now for not being willing to match what the Commonwealth has been willing to put in. The Premier of New South Wales is apparently going to address the One.Tel workers. Instead of making fine speeches to the One.Tel workers, he ought to promise them a cheque. Instead of rhetoric and words, what about a little underwriting of their entitlements?

We do not believe that the scheme put forward by the opposition is equitable. We remember that for 13 years you did nothing. There are thousands upon thousands of Australian employees who lost their entitlements

while you were a senior minister in the Hawke and Keating governments. Year after year, people lost their entitlements, and for 13 years you sat on your tail and did absolutely nothing. You now come along with a plan that would slug honest, decent, caring employers. In the end, if these entitlements ought to be picked up, it is a community responsibility. It is not the responsibility disproportionately of small business; it is a community responsibility. The New South Wales government is rolling in money as a result of the GST. The Victorian government is rolling in money as a result of the GST. The Queensland government is absolutely filled to overflowing with money as a result of the GST. The least they can do is dip into their pockets, show a bit of decency to Australian workers and match the Commonwealth's generous scheme.

The other thing I might do while I am on my feet and the Leader of the Opposition gives me an opportunity to do so is to inform the House, as I have already the Australian public, that the Commonwealth intends to amend the law so that in future, where bonuses are paid in the circumstances where those bonuses were paid to the bosses of One.Tel, that money will be refundable and can be used to meet the lawful and legitimate entitlements of the workers and also the other creditors of the company. Once again, this is an example of the determination of this government, whilst being a great supporter of the capitalist system, to prevent a recurrence of this type of thing in the future.

Mr Reith—And now you are telling the states not to put in.

Mr Crean—You look after your son; he looks after his brother.

Mr SPEAKER—The Leader of the House and the Deputy Leader of the Opposition are both defying the chair and will both be dealt with.

Middle East

Mr PYNE (2.07 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the Minister for Foreign Affairs advise the House of the implications for the

Middle East peace process of the horrendous suicide bombing in Tel Aviv last Friday?

Mr DOWNER—I thank the member for Sturt for his question and, indeed, for the fact that he does take these problems, which are very severe and tragic problems in the Middle East, seriously. All Australians, I am sure, were shocked and horrified at the bombing on Friday in Tel Aviv that killed 20 people and injured more than 100. In direct answer to the honourable member's question, that did represent a very serious escalation of the cycle of violence that we have already been seeing for quite some time now in the Middle East. If left unchecked, there is a real danger that this violence could spiral totally out of control, with a devastating effect on hopes for an early peace in the Middle East. With that danger firmly in mind, the Australian government condemns the terrorist attack, in the strongest of terms. Moreover, we urge both sides to step back from the brink in the aftermath of this terrible tragedy and to accept that, for the sake of both peoples, there must be an immediate cease-fire and a return to the negotiating table.

I note that following a statement of condemnation of the attack issued by the President of the Palestinian Authority, Mr Yasser Arafat, on 2 June—and we welcome his statement—the Israeli government has held off retaliation and that, over the last two days, the level of violence in the Palestinian territories has at least diminished somewhat; and that is a welcome development.

At a meeting in Pretoria on 2 May, I emphasised to Mr Arafat the futility of the cycle of violence that has gone on since September last year. This latest example underlines the point and demonstrates how critically important it is for a genuine cease-fire to be solidified. Only then can the negotiators again sit down and work out peaceful solutions to the problems between both sides. It is the Australian government's view that they should use the recommendations of the Mitchell committee report as a very sound basis for their work. As I said at the beginning of my answer to the honourable member's question, this is a shocking develop-

ment in the Middle East, and we can only hope and, indeed, pray that out of this tragedy comes some good and that a cease-fire and negotiations will commence.

Employee Entitlements Support Scheme

Mr BEAZLEY (2.10 p.m.)—With your indulgence, Mr Speaker, may I add my total agreement with the expressions that were given by the Minister for Foreign Affairs on that occasion. My question, however, is to the Prime Minister. It follows the answer that he gave to my previous question. Isn't it true, Prime Minister, that not one state government, including the present Liberal government of South Australia and the former Liberal government of WA, signed up to your flawed Employee Entitlements Support Scheme? Isn't it also true that, even if they did, workers would not be guaranteed 100 per cent of their entitlements? Isn't it also true that your scheme forces taxpayers to pick up the tab, while the big end of town get away scot-free? Isn't it time for you to adopt Labor's national employees entitlements scheme that will ensure that the big end of town pay their fair share?

Mr SPEAKER—The Leader of the Opposition cannot advance an argument in his question.

Mr Ross Cameron—Mr Speaker, I rise on a point of order.

Mrs Crosio—Tell us about flood mitigation in Parramatta, Ross.

Mr SPEAKER—The member for Prospect! The member for Prospect might care, as an occupier of this seat, to consult the standing orders and read standing order 55.

Mr Ross Cameron—Under standing order 144, the first question likewise offended numerous provisions of the standing orders. This question, throughout, advanced argument and made imputations. In particular, Mr Speaker, I ask you to ask the Leader of the Opposition to withdraw the last clause, which was not a question but just a rambling statement of Labor policy.

Mr SPEAKER—The member for Parramatta will resume his seat. The Leader of the Opposition is aware of the fact that I in-

tervened on the latter part of his question, which I felt was simply advancing an argument.

Mr HOWARD—The Leader of the Opposition can work himself up into a frenzy and shout about the big end of town as frequently as he likes, but that will not alter the fact that, for 13 years, he was pretty close to the big end of town. In that 13 years, I did not notice a big gap between the big end of town and the Hawke, Keating and Beazley governments. In fact, they were very close: there was a lot of leakage between the governments of Hawke and Keating, of which the Leader of the Opposition was a very senior member.

What the Leader of the Opposition wants to do is to introduce a new tax. That is what he wants to do. This addition to the superannuation guarantee charge is just another tax. When the Labor Party want to do something, they always resort to a new tax. It is true, of course, that none of the state governments have agreed to make a contribution. That is absolutely true. State governments are always willing to let the Commonwealth government make the running, pick up the tab and do their heavy lifting—whatever the case may be. That has always been the case and it always will be the case. Of course, if you can shift the responsibility for these things onto the decent section of the corporate sector, which still comprises the great bulk of men and women in business in the Australian community, all the better.

I go back to basics. For 13 years, Labor did nothing. For 13 years, men and women lost their jobs, lost their entitlements and did not get a farthing from the Hawke or Keating governments. It has taken my government to bring in a scheme that provides a safety net. That scheme should be matched by those state governments that are rolling with money—absolutely rolling with money.

After all the concern that Mr Carr has expressed about the One.Tel workers, the passionate pleas he has made on radio to Mr Rich and Mr Keeling to disgorge the bonuses, and the eloquent addresses he had made to the workers at the rally, I am sure he

will dig into the ample coffers of the state of New South Wales and match the money that has been put on the table by the Commonwealth. I would think the One.Tel employees who live in New South Wales would say, 'The Commonwealth is doing its bit. What about you, Mr Carr?' And I think the One.Tel employees are entitled say to Mr Carr, 'Bob, your words are fine, but what about an assurance of support?'

Mr Beazley interjecting—

Mr SPEAKER—The Leader of the Opposition!

Mr HOWARD—The Leader of the Opposition: yak, yak, yak, interjecting the whole time. You had 13 years and you did nothing. For 13 years you allowed people to lose their entitlements with no reimbursement. It has taken the coalition government to bring in a safety net scheme. The least the Labor governments of Australia and, indeed, the Liberal government of South Australia can do in the name of fairness and decency is to match the Commonwealth scheme. If that happens in relation to One.Tel, there is no reason why the employees of that company should not get the overwhelming bulk, if not every last dollar, of their entitlements.

Economy: Current Account Deficit

Mr SCHULTZ (2.16 p.m.)—My question is addressed to the Treasurer. Would the Treasurer advise the House of the March quarter current account balance released today by the Australian Bureau of Statistics?

Mr COSTELLO—I thank the honourable member for Hume for his question. I can inform the House that the March quarter balance of payments were released today and they show that the current account deficit for March was \$4.7 billion, or 2.8 per cent of GDP. Excluding the June quarter of 1997, which included the gold sales of the Reserve Bank of Australia, this is the lowest current account deficit as a share of GDP since the March quarter of 1981. It is the best quarterly outcome since March 1981. As we know, the current account deficit blew out, starting in 1983, under 13 years of Labor government.

The fall in the current account deficit reflected a \$1.1 billion turnaround in the balance on goods and services to a surplus of \$212 million for the quarter. That is, Australia's trade with the rest of the world in the March quarter was in surplus. The whole of the current account deficit consists of the net income deficit, which is payment on past accrued foreign debt, in particular the build-up of foreign debt under 13 years of Labor government from 1983 to 1996. The March quarter showed a 0.5 per cent rise in export volumes driven by goods exports and a 3.3 per cent decrease in import volumes. Two of the factors which have contributed to the growth in Australia's exports to a quarterly surplus in our trade and to our lowest current account deficit since 1981 are, first, that we took tax off exports. There is now, under the new tax system, no tax on Australian exports. That is a \$3½ billion tax break to Australian exporters, and it took a new tax system to do it. The only member of the opposition that I have ever seen acknowledge that was the now shadow minister for Aboriginal affairs—and he nods. He is the only member of the Labor Party that has ever acknowledged the benefits to exporters from the new tax system. The Labor Party did not have the wit to put in place a tax system which would help Australia's exporters.

In addition to the help to exporters that has come from the new tax system, the exchange rate, which is supercompetitive, has no doubt been of advantage to Australian exporters. At a time when the world economy is slowing, that is of enormous and direct advantage to Australian exporters. For example, the volume of elaborately transformed manufactured exports increased 2½ per cent in the quarter, with elaborately transformed manufactured exports up through the year by 9.3 per cent. The sharp decline in the current account is expected to be maintained through the year at around three per cent. These are some of the lowest rates in proportion to GDP since the 1990s. The outcome for the March quarter is consistent with the budget outlook. I congratulate those Australian exporters who, helped by exchange rate and tax factors, are now

exporting Australia into a trade surplus and the lowest current account since 1981—a good result for Australia.

Employee Entitlements Support Scheme

Mr BEVIS (2.20 p.m.)—My question without notice is to the Minister for Employment, Workplace Relations and Small Business. I refer to your and the Prime Minister's statements about the availability of the government's Employee Entitlements Support Scheme to assist employees to receive just some of their lost entitlements. Will you confirm that in this year's budget there were no additional funds provided for the scheme and that, as a result, funding for it ceases altogether at the end of the next financial year? Minister, isn't your flawed employee entitlements scheme just a tricky little device to get you past the next election?

Mr ABBOTT—Let me point out to the shadow minister that the Howard government's Employee Entitlements Support Scheme is probably the most significant and substantial addition to Australia's social safety net in many years. This government is the first government in 100 years to actually put in place real protection for workers' entitlements. In 13 years, members opposite did nothing. In none of the five Labor states is there any protection for workers' entitlements. When Premier Beattie last week said that there was protection under state awards, he was fibbing—there is none whatsoever. And when Premier Carr waxes rhetorical about workers' entitlements he is not backing up his fine words with cold, hard cash. This government is absolutely determined to protect One.Tel workers and we are absolutely determined to pursue One.Tel bosses.

Mr Bevis—Mr Speaker, I rise on a point of order that goes to relevance. My question related to the budget provisions and the continuation of the scheme. The minister has not yet commenced to answer that question.

Mr SPEAKER—I was listening closely to the minister's reply and I was not aware that he had concluded his answer. The minister's answer is entirely relevant to the question.

Mr ABBOTT—Let me conclude my answer by saying that the scheme is fully funded and provisioned in the budget.

Taxation: Services and Programs

Mr GEORGIU (2.23 p.m.)—My question is addressed to the Treasurer. Would the Treasurer inform the House of the relationship between Australia's tax base and the government's ability to provide services and programs for the community?

Mr COSTELLO—I thank the honourable member for Kooyong for his question. I can inform the House that one of the reasons why this government reformed the Australian taxation system is not just to help Australian exporters and to cut income taxes for families but also to ensure that there is a decent tax base which is funding the services rendered by the states, because every last dollar of goods and services tax is paid to state governments to deliver goods and services for the people in their various states. Today goods and services tax funds the salary of every single schoolteacher in every single classroom in every state education system in this country. After it has funded that, it actually funds police salaries so we have law and order and other necessary state services. One of the reasons why this government put in place a new tax system was to ensure there was a decent base to keep those social services going.

Needless to say, if there were a political party elected in the future that wanted to roll back that base but keep the same services, it would have to put up some other kind of tax. It is an obvious point, and when we left the House two Thursdays ago the 14-year-old schoolboy from Kambah High School had made that point. He had asked the Labor Party how they could keep services and roll back the GST, and we had the immortal words of Senator Stephen Conroy. He said:

I don't think we can run away from the fact that there will be hard decisions, and we have to prioritise how we are going to fund our spending initiatives. And we're going to have to make choices between: 'Are we going to cut programs? Are we going to increase taxes in this area?'

Ever since Senator Conroy issued those words, the Labor Party has been trying to run away from the hard decisions. That is what he said: 'I don't think we can run away from the hard decisions'. If you want to be an alternative government, you cannot run away from the hard decisions. Are you going to cut programs or increase taxes?

The Leader of the Opposition, when he has no answers, turns around and engages in conversation. We used to use this as a tactic when we were in opposition: turn around and pretend you are not interested when you are being asked a question. Which is it going to be? Is it going to be cutting services or increasing taxes?

Government member—Or both.

Mr COSTELLO—Or both? Turning his back, he is engaged in deep conversation at the moment with the shadow minister for education. We might have expected that he would answer the question when he gave his post budget interview to Laurie Oakes on the Nine Network.

Mr Downer—That was a classic.

Mr COSTELLO—It was an absolute classic. Laurie Oakes asked him this question:

Why, when I say will you guarantee no increase the Medicare levy, why can't you say, of course I will?

BEAZLEY: Because I've already picked that up on what I've had to say.

OAKES: Okay, well I'll take that as a guarantee of no increase in the Medicare levy. What about company tax?

BEAZLEY: Laurie, Laurie—

they always begin their answers with 'Laurie, Laurie'—

Mr Howard—Daryl taught them that!

Mr COSTELLO—Daryl, Daryl, taught them that—

BEAZLEY: Laurie, Laurie, the point I'm making here is that it's silly for an Opposition leader, or anyone else, to sit down in front of somebody like yourself, and it's also undignified, and I won't be involved in that.

Here is the question:

What about company tax?

BEAZLEY: Laurie, Laurie, the point I'm making here is that it's silly for an Opposition leader, or anyone else, to sit down in front of somebody like yourself, and it's also undignified, and I won't be involved in that.

'Undignified' for an alternative Prime Minister to go through tax by tax under scrutiny like that. Undignified! He is asked the question, 'Will you guarantee no increases in company tax?' and he says that it is undignified to give the answer. We know why it is undignified to give the answer, because you do intend to put up company tax. He is asked about indexation on petrol and it is undignified to give an answer. We know why it is undignified to give an answer: because you want the option to raise petrol taxes.

We remember what you did in the 1993 election. In the 1993 election you gave almost precisely the same commitment. It was the Paul Keating commitment: 'What I am promising is not to put up tax.' That was the promise. The way it worked out was an increase in every wholesale sales tax, an increase in petrol excise, the abolition of income tax cuts and an increase in the company tax. The Leader of the Opposition was playing this game back in September 1993, and I ask everybody in the House to go back and read the speech. He justified putting taxes up after the 1993 election because he was not pinned beforehand. These are the words that he used.

... The fact that the opposition does not rub the electorate's nose in what we say are our election promises does not mean that we are breaking our election promises. The opposition was incapable of getting through the flack of its GST and presenting in the public mind the fact that if a government says it will maintain the current level of taxation as a percentage of GDP, yet its forward estimates on revenue suggest that the revenue will fall, then logically that government will raise revenue somewhere down the line.

The current forward estimates show revenue will decline over the forward estimates. So if he is making the same promise—

Mr Beazley interjecting—

Mr SPEAKER—The Leader of the Opposition!

Mr COSTELLO—then his words—

Mr Beazley interjecting—

Mr SPEAKER—The Leader of the Opposition!

Mr COSTELLO—condemn him. Now the conversation with the shadow minister for education has concluded.

Mr Beazley interjecting—

Mr SPEAKER—The Leader of the Opposition is defying the chair.

Mr COSTELLO—We have finally got his attention, Mr Speaker, because they show over the forward estimates that revenue will fall. Here is what he said:

... logically that government will raise revenue somewhere down the line.

'Somewhere down the line'—condemned out of your own mouth. When you were asked about company taxes and indexation on petrol and income taxes and in relation to indirect taxes, it is no answer to say it is 'undignified' to answer the question. It is undignified not to answer the question. Come clean with the Australian people and be honest with them.

Honourable members interjecting—

Mr SPEAKER—It should not be necessary for me to intervene or to rise to get silence between questions being asked, as all members in the chamber are well aware.

Economy: Foreign Debt

Mr CREAN (2.31 p.m.)—My question is to the Treasurer. Do you recall telling the parliament in 1995, 'Australia today is staggering under the load of foreign debt,' which threatened to break the country? Do you recall promising to 'break the shackles of foreign debt'? Treasurer, isn't it true that since then, as today's figures show, foreign debt has risen from \$190 billion to \$317 billion and is now almost half the nation's income? Treasurer, where is your debt truck now?

Mr COSTELLO—The debt to GDP ratio today is 48.3 per cent. As I said in my earlier answer, in the March quarter we were actually trading in goods and services at a surplus. The whole of the current account deficit is in servicing foreign debt.

Mr Tanner interjecting—

Mr SPEAKER—The Member for Melbourne!

Mr COSTELLO—In 1996 the debt to GDP ratio was 38 per cent—

Mr Crean—So it's gone up

Mr COSTELLO—So it has gone up from 38 per cent to 48 per cent. In 1983, when the Labor Party was elected to government, the debt to GDP ratio—remember it finished at 38 per cent of GDP—was 14 per cent. It went from 14 per cent to 38 per cent—it tripled.

Mr McMullan interjecting—

Mr SPEAKER—The Manager of Opposition Business!

Mr COSTELLO—I love these questions, because in nominal terms it increased 667 per cent under Labor—667 per cent.

Mr McMullan interjecting—

Mr SPEAKER—The Manager of Opposition Business has asked his question.

Mr COSTELLO—I make two points. One is the premise of the question was again wrong, because he was asked whether it was half the nation's income. In fact, the servicing of foreign debt as a proportion of the nation's income—that is, its export earnings—is today 9.4 per cent and it peaked at 20 per cent in September 1990. It took 20 per cent of the nation's earnings to service our foreign debt. The last point I would make in relation to foreign debt is this: since this government was elected, in net terms it has not—

Mr Crean interjecting—

Mr SPEAKER—The Deputy Leader of the Opposition!

Mr COSTELLO—Since this government was elected, in net terms it has not borrowed a dollar.

Mr Crean—But was that the foreign debt?

Mr COSTELLO—It has not borrowed a dollar. In other words, the Commonwealth, far from increasing foreign debt, has been retiring foreign debt for the last five years.

Mr Tanner interjecting—

Mr SPEAKER—The member for Melbourne is warned.

Mr COSTELLO—Can you imagine if this government had followed the example of its predecessors and borrowed over the last five years \$80 billion. The foreign debt would be \$80 billion higher today than it is. In fact, not only would it be \$80 billion higher; it would be higher again by the net amount that we have reduced debt by. So the government has not only not borrowed but retired foreign debt. It has attuned the financial profligacy of the Australian Labor Party: we are now trading in a surplus. I am not saying that all of our economic problems are solved. Plainly, they are not. It will take a lot to service that build-up of foreign debt over the last—

Mr Crean interjecting—

Mr COSTELLO—I take that interjection. The one thing that would not solve any of Australia's economic problems would be a trade union dominated Labor government. The evidence is on the board: they took debt from 14 per cent to 38 per cent over 13 years. They ran up \$80 billion of Commonwealth debt and added to it. They fought every step of the way to put the budget back into balance. They are threatening to engage in unfunded promises with new tax rises. The one thing you can say about the Labor Party is they never understood and they have not learnt a thing.

Taxation: Small Business

Mrs GASH (2.35 p.m.)—My question is addressed to the Minister for Small Business. Would the minister advise the House of the impact of proposed changes to Australia's tax system on small business and taxpayers?

Mr IAN MACFARLANE—I thank the member for Gilmore for her question. I have travelled to the electorate of Gilmore and spoken to small businesses there, and they are certainly very complimentary in their praise of the member for Gilmore. Small business in Gilmore should, as should small business everywhere, be congratulated for bedding down this new tax. What I am hearing in Gilmore and in other electorates is

that the GST and the BAS are starting to become less and less of an issue.

That is not good news for the Labor Party, because they are trying to beat up a little storm on this. What I hear from small business is that they want certainty. They want to know where they are going to be in 12 months time. What I hear from small business is that they are concerned about roll-back and about the conflicting statements they hear on roll-back. I would be concerned as well if I were in small business. First of all, we had the shadow minister for small business, the member for Hunter, talking on roll-back earlier this year, on 23 March. When asked, 'What will roll-back specifically mean for small business?' he responded:

Well, roll-back can come with a cost and without a cost. Not all roll-back is necessarily expensive but we think still some changes can be made ...

When he was pulled into order on this, he then was asked by Chris Lewis, who is a very agreeable bloke, on the *Valley Life* program on 2 April:

Roll-back can come at a cost or without a cost—is this true?

The member for Hunter said:

Roll-back for small business can come at a cost or without a cost for government. I was making a point that we've a few ideas up our sleeve, some of which will come at a cost to government.

The member for Hunter even repeated that claim in this House:

... roll-back may come at a cost to government, which, of course, is obvious ...

It is obvious: roll-back will come at a cost to government. Then last week he tried to excuse himself from these comments by saying—this time in Rockhampton; he certainly gets around on radio—this:

The government likes to imply that roll-back means a further cost to government; that is not the case.

But he said it in this House. The only element of truth in what the member for Hunter keeps saying is that roll-back will come at a cost to small business and it will come at a cost to taxpayers. It is time the member for Hunter, in his fits of candour, convinced his

leadership to abandon a policy that is bad for government, bad for taxpayers and bad for Australia.

Taxation: Anti-Avoidance Provisions

Mr CREAN (2.39 p.m.)—My question is to the Treasurer again, and I ask: isn't it a fact that, despite your 1999 promise to tighten the part IVA anti-avoidance provisions of the tax act, you have yet to release any draft legislation and have done no consultation? Isn't your go-slow on this important crackdown on big-money tax avoidance because you have one rule for the top end of town and another for struggling families and small businesses?

Mr COSTELLO—No. I think it was a coalition government that introduced part IVA—

Mr Howard—Yes, that is right.

Mr COSTELLO—I was not here at the time, but as I recall—and the Prime Minister is nodding—it was a coalition that introduced part IVA. As I recall it, the Labor Party never introduced anything. I take the silence from the opposition as a confirmation.

This government has probably been much tougher than any of its predecessor governments in clamping down on obvious tax avoidances—particularly the R&D syndicates, which were probably the largest way of avoiding paying tax. They were closely followed by infrastructure borrowings. Not only did we get no help from the Labor Party in closing them down but the Labor Party had actually opened them up.

Mr Crean—Oh, come on.

Mr COSTELLO—The infrastructure borrowings, as I recall, were marketed by merchant banks—

Mr Crean—Answer the question.

Mr COSTELLO—and you could not even get into the infrastructure borrowing scheme until you had \$500,000 to invest.

Mr Crean—Where's the draft legislation?

Mr SPEAKER—The Deputy Leader of the Opposition is warned.

Mr COSTELLO—And all of the tables worked off a \$500,000 amount. The Labor Party introduced it; we closed it down. We did it on R&D syndicates. We have an enviable record.

Mr Crean—Mr Speaker, I rise on a point of order.

Mr SPEAKER—Has the Treasurer concluded his answer?

Mr COSTELLO—Yes.

Mr SPEAKER—The Treasurer has concluded his answer.

Mr Crean—Without an answer.

Mr SPEAKER—I remind the Deputy Leader of the Opposition of his status.

Rural and Regional Australia: Health Initiatives

Mrs DE-ANNE KELLY (2.42 p.m.)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Would the Deputy Prime Minister advise the House of how federal government initiatives will help to provide people living in rural, regional and remote communities, such as those in Dawson, with access to improved health services?

Mr ANDERSON—I thank the honourable member for her question. I know that she has a real interest in this matter and has been particularly delighted with the recently announced \$1½ million funding for a new Aboriginal and Torres Strait Islander medical centre in Mackay.

Nothing is more important than access to health services for all Australians. Wherever you work, wherever you live, wherever you seek to be productive in this country, you need to know that you can have fair and reasonable access to medical services. Of course, we have had a real problem in Australia. After many, many years of neglect and poor planning, we reached a chronic shortage of GPs and specialists in regional Australia, essentially because we had not been training enough rural and regional students to practise medical services in rural areas. Medical students from the country are about nine times more likely to practise in the country than are urban students. We now have the

situation where we are 500 GPs and 700 to 800 specialists short in regional Australia. Indeed, an illustration of this is my own home town, Gunnedah, with a population in the town and district of 13,000 or 14,000 and a waiting list of two to three months to see a GP for a non-urgent matter. Australians would not normally accept that. It is not as if it is new: that has been the situation for two or three years.

In response in large part to an excellent package put forward by the Minister for Health and Aged Care after he had visited many rural areas with me, we put together the More Doctors, Better Services package last year—a \$562 million commitment, a real commitment, involving such things as the John Flynn scholarships, the Rural Retention Program for GPs, the rural women's GP service and the medical rural bonded scholarships. But this year we have added a very important element which takes it to virtually \$700 million as a package, and that is nurses for rural and regional areas. In this year's budget there is around \$104 million going towards enabling general practices in rural Australia to employ additional practice nurses and another \$13 million for 100 new rural nursing scholarships worth around \$10 million. That will see us supporting students of nursing in much the same way as we now do doctors. We will also be investing around \$43 million in programs using nurses to reduce the workload on rural GPs, which will of course assist us in not only recruiting but retaining more rural GPs.

We have heard nothing from the ALP in this area—about the most appalling policy failure on their part when they were in government. We have heard nothing from them at all. The best we can hope for—given that we heard nothing from the member for Dickson on regional policies when she was responsible for that area and, when the member for Batman appeared, he found there was nothing ready; and we have seen nothing from him either—is that they will go and have a yarn to their expert on rural and regional policy, Bill Kelty. Remember Bill? He was the bloke who travelled around the bush

and recommended what they ought to do for rural and regional policy.

After 13 years of real decline in rural health, as doctors were not trained up for rural and regional Australia, we have seen no commitment—none—from the ALP to a regional health policy. All we have heard about are last week some health initiatives worth around \$148 million. What we have done for rural and regional Australia is worth many, many times that alone. No wonder we have had the National Rural Health Alliance applauding the government, saying that these commitments build on the major boost to rural general practice in the 2000 budget. We have had Dr Julie Thompson, the Chair of the Australian Divisions of General Practice, saying that in the short term the funding set aside for upskilling nurses who are willing to take on additional roles and responsibilities will have a positive effect but in the longer term the scholarships will help. But, in a way, it is all said by the mother of a second year student at the University of Sydney who said:

The Australian rural Australia medical undergraduate scholarship has really helped. Our son is enjoying the city but looking forward to returning to the country, and can't wait to be a country doctor.

Wide Bay Electorate: Regional Solutions Program

Mr BEAZLEY (2.47 p.m.)—My question is also to the Deputy Prime Minister in his capacity as minister for regional affairs. I ask whether you recall telling parliament last month that the process for considering applications for Regional Solutions funding is as follows:

They go to what could only be described as a panel of highly reputable people, headed by Professor John Chudleigh. They are all assessed on their merits before they go to the ministerial council. The process accords with best practices and was checked off in consultation with the Auditor-General.

Minister, isn't it true that nearly one-third of the \$12.6 million Regional Solutions program will be allocated to just one region—Wide Bay? Isn't it also true that this proposal did not follow the official process you out-

lined and that in fact you intervened personally to ensure the proposal got up? Minister, why did you give special treatment to your ministerial colleague when people right across the country have to follow your official processes?

Honourable members interjecting—

Mr SPEAKER—The Deputy Prime Minister has the call.

Mr Beazley interjecting—

Mr SPEAKER—The Leader of the Opposition chooses to ignore the chair, no matter what comment the chair has made.

Mr ANDERSON—I thank the Leader of the Opposition for his question. I say at the outset that the government does not apologise for creating a new structural adjustment program which, in the first instance, will be applied to the Wide Bay-Burnett region. If the citycentric members of the party opposite ever got out of the cities, they would know that this particular area is suffering from very high levels of unemployment and has one of the lowest per capita income levels in this country. When Labor left—

Opposition members interjecting—

Mr ANDERSON—Mr Speaker, this is the bit they do not want to hear. When Labor left the Wide Bay-Burnett area in 1996 with an unemployment rate of nearly 19 per cent they had done nothing but make the problem worse—that is all they had done. The fact is that we have made some progress—a very good local member helps a great deal. Unemployment is down to 14 per cent, which is a vast improvement on what it was when Labor were in power. But that is still too high, and local council and community organisations have been very active in trying to move the region forward. They have come to government as a group seeking structural assistance and have been very active in pulling together ideas and potential.

Mr Zahra interjecting—

Mr SPEAKER—The member for McMillan!

Mr ANDERSON—They have put together individual projects for the Regional Solutions program, some 20 of them, and

they have been working hard in their local communities. But this is a region that clearly needs some specific help, and it is for this reason that the government found a way of providing \$4 million in funding—

Mr Zahra interjecting—

Mr SPEAKER—The member for McMillan is warned!

Mr ANDERSON—provided through a current year budgetary underspend on the Regional Solutions program for a structural adjustment program in this very needy area.

So let me just pose these questions: does the Labor Party deny that the Wide Bay-Burnett area has high unemployment? Does the Labor Party deny that the region is suffering very great disadvantage? Does Labor support this initiative? No, they do not, because they do not understand the problem. They do not go out to understand it; they do not go out to find solutions. All they do is come into this place and seek to object to every positive initiative we try to put into place to make a difference to battling Australians left behind after 13 years of Labor.

Pharmaceutical Benefits Scheme

Dr WASHER (2.52 p.m.)—My question is addressed to the Minister for Health and Aged Care. Would the minister update the House on how the Howard government is continuing to ensure that all Australians have access to the pharmaceuticals that they need? Is the minister aware of recent comments concerning this important part of Australia's public health care system?

Mr Sidebottom—Are you going to apologise to Tasmanians, Minister?

Mr SPEAKER—The member for Bradon!

Dr WOOLDRIDGE—I thank the member for Moore for his question and his interest in this area. The Howard government is absolutely committed to providing pharmaceuticals to Australians and making sure that they are as up-to-date, clinically relevant and cost effective as possible. That is why we have been able to find the extra resources for the Pharmaceutical Benefits Scheme and

why we have been able to keep the scheme up-to-date by regular reviewing it.

I am aware, though, of alternate comments, both in a press release of last week and on *Sunday Sunrise*. In a press release last week the member for Jagajaga said that there had been a huge blow-out in pharmaceutical spending. She should know. In the last five years, between 1996 and 2001, the PBS has increased on average 13 per cent a year.

Ms Macklin—Last year it was 22.

Dr WOOLDRIDGE—It is true there was a big increase last year, but the United States had a similar increase, of around 19 per cent. The Labor Party was 4½ per cent higher than us over four years, because of one disastrous year of spending under Labor.

Mr Sidebottom—I think you had better get down to Tasmania, Minister. They're waiting for you.

Mr SPEAKER—The member for Bradon is warned!

Dr WOOLDRIDGE—This was 1992-93, when in fact the member for Jagajaga was advising Brian Howe. The increase in the PBS was a record 23.32 per cent. So the member for Jagajaga on her watch managed to get a 23.32 per cent increase one year and a 17.5 per cent increase for Labor over four years, compared to a 13 per cent increase for the coalition. On *Sunday Sunrise* the member for Jagajaga made five factually inaccurate statements relating to the PBS, and that is the only one that I am attempting to look at. Firstly, she claimed the government did not take the advice of the PBAC on Celebrex. She is simply wrong: the PBAC has no legal right or authority to advise on anything other than listing, and we took their advice on listing. Secondly, she claimed there was no price-volume arrangement for Celebrex. If she had bothered to look through the nearly one metre of documents we gave the Senate on the return to order on the relation of Celebrex and Vioxx, she would see several references to the existence of a price-volume agreement.

Thirdly, she claimed that Labor will make sure the PBAC is an independent body. I

must say, given recent media attention to the fact that there was an undeclared relationship between a previous PBAC member and the pharmaceutical industry, perhaps our new committee is even more independent. It is very interesting that we hear her talking about independence of the PBAC when I have a letter on file from 2 July 1998 from the member for Jagajaga asking that I not observe normal process and have Aricept on the PBS on the basis of a *Herald Sun* article. As much as I respect that newspaper, I do not think an article in the *Herald Sun* is adequate reason to put a drug on the PBS. I table that letter for the advice of honourable members.

Further, talking about Naltrexone, she says we should ask the advice of the PBAC as to whether Naltrexone should be on or off. In fact, we have done that and they rejected it. Secondly, we had the Leader of the Opposition on 3AW on 10 July last year saying:

... I also support Naltrexone on the PBS ...

So much for an independent PBS! He is going to whack it on because there is a bit of political pressure!

Mr Beazley interjecting—

Dr WOOLDRIDGE—You are a hypocrite when you talk. You are an absolute hypocrite when you want to talk about an independent PBAC.

Mr SPEAKER—The minister will withdraw that reference to the Leader of the Opposition.

Dr WOOLDRIDGE—Withdraw which reference?

Mr SPEAKER—You will withdraw the reference you made to the Leader of the Opposition in your answer.

Dr WOOLDRIDGE—I withdraw the reference. I just add that people can draw their own inference about someone who says one thing and does another thing.

Finally, she claimed that the budget documents did not contain any allowance for extended eligibility of the seniors health card. This came as news to me, because on page 109 of *Budget Paper No. 2*, down the bottom, under 'Acknowledging Older Australians—Extended Eligibility for the Com-

monwealth Seniors Health Card', there is in fact detailed allowance of it, under both the Department of Health and Aged Care and the Department of Family and Community Services. I am happy to table the appropriate part out of the budget measures. I am also happy to throw in a tutorial on budget papers, if the honourable member would like it.

Nursing Homes: Yagoona

Ms MACKLIN (2.57 p.m.)—Have a look in the portfolio budget statement—

Mr SPEAKER—The member for Jagajaga will come to her question or resume her seat.

Ms MACKLIN—My question is to the Minister for Aged Care. Minister, why did you overturn the recommendation of the Aged Care Standards and Accreditation Agency's assessment team to revoke the accreditation of the Yagoona nursing home in Sydney? Doesn't the agency's report find the nursing homes failed all four care standards, with two standards rated critical? Haven't you breached your own accreditation guidelines, which say that nursing homes must lose accreditation if they have a critical rating on one or more standards? Didn't your standards agency find that residents suffered temperatures of 48 degrees in summer, cold showers in winter, inadequate clinical care and high rates of falls and that they risk potential disaster in the event of a fire? Why didn't you enforce proper standards of care in the Yagoona nursing home?

Mrs BRONWYN BISHOP—I thank the member for Jagajaga for her question, because it does give me the opportunity to explain to her how the independent system of the Aged Care Standards and Accreditation Agency works. If she likes, I could perhaps give her a briefing, or arrange for the department to do so, so she understands. Basically, the home concerned was in fact accredited as part of the support visits which continue to take place after accreditation—so that you may not reach accreditation standard and think you will not be visited again for another three years. The fact of the matter is there is a continuing number of support visits and spot checks, both of which oc-

curred in this home. The agency then conducted as a result of that support visit a review audit. The review audit found that there were unsatisfactory ratings on a number of the standards. It has required that that home be brought up to acceptable standard. All of the residents and their families have been written to, and indeed the department is now considering what sanctions will be applied to that home. But the important thing is that it continues to be monitored by both the department and the agency.

Whether or not accreditation is downgraded has nothing to do with a ministerial judgment. It is written into the legislation that the agency must remain independent when it makes its decision. The agency takes into consideration the recommendation of the assessor's report. It also takes into account other items that it considers relevant, such as undertakings of the home to remedy the problems in that home. It makes a decision in the interests of the residents as a whole. It is very important that the agency makes that judgment. I might add that the finding was that there was no serious risk. However, both the department and the agency will continue to monitor this home. I report that there were two spot checks over the weekend.

Ms Macklin—Mr Speaker, I seek leave to table a page from the government's accreditation guidelines, which clearly indicate that a critical rating in one or more standards rules out accreditation.

Leave not granted.

Education: Funding for Government Schools

Mr BILLSON (3.01 p.m.)—My question is addressed to the Minister for Education, Training and Youth Affairs. Would the minister advise of assistance to government schools flowing from the Commonwealth budget? Would he also advise how this support complements funding to government schools from other sources?

Dr KEMP—I thank the member for Dunkley for his question. I know his great interest in delivering a quality education to every young person in his electorate. The coalition is committed to equal educational

opportunity for young Australians. In the recent budget, government schools get the lion's share of the new measures for schools from the Howard government's most recent budget. The government schools will get an estimated \$238 million extra, or 87 per cent of the funding for specific schools measures contained in this year's budget.

Government schools have consistently been the beneficiaries of the coalition's sound economic management. The Leader of the Opposition may like to listen to this, because he seems to think that the \$105 million he is going to rip off his arbitrary hit list of schools is somehow or other going to be of enormous help to government schools. Let us have a look at the record of this government. Funding for government schools over the five years of this government since 1996 has increased by 42 per cent. In the coming year we will deliver to public education in this country \$669 million more than you did when you were in office.

This is the sixth federal budget in a row when funding for schools has increased. Of course, it is not merely the funding commitment of this government but it is the fact that we have put in place national literacy and numeracy standards—which the Leader of the Opposition will doubtless dismantle under union pressure. It is the fact that we have put into practice school to work programs which are raising retention rates in many government schools, that show the sincerity and depth of our commitment to public education.

But there is a Labor record on this, because we now have budgets coming down for next year from the state Labor governments. Let us have a look at what those budgets have delivered. The New South Wales state budget—which they tried to claim as an education budget—delivered an increase in funding to public education in New South Wales of 2.5 per cent over this year's estimated outcome. The Howard government will deliver to public schools in New South Wales next year an increase of 5.3 per cent—more than double the increase from the Labor Party in New South Wales.

And it is not just the New South Wales Labor Party. We now have the Victorian budget, which I have to note was described by the President of the Victorian Branch of the AEU, Mary Bluett, as the 'cruellest budget in a decade' for public education. This budget managed an increase of 1.8 per cent in funding for government schools, while the Howard government will be increasing its funding for state schools in Victoria next year by 5.4 per cent—well over double the increase in the funding for public education.

Let us have no more of this empty rhetoric from the Leader of the Opposition. He delivers nothing but rhetoric. He delivers nothing but cuts to some schools, while this government is going about its business of making sure that there is improved educational opportunity for every young Australian.

Nursing Homes: Yagoona

Mr ALBANESE (3.05 p.m.)—My question is addressed to the Minister for Aged Care. Minister, can you confirm that the owner of the Yagoona Nursing Home, Mrs Millie Phillips, has contributed \$14,000 to the Liberal Party? Is that why you have exempted the Yagoona Nursing Home, owned by Mrs Phillips, from the government's own accreditation standards? Why has this provider—

Mr SPEAKER—The member for Grayndler will resume his seat. I have interrupted the member for Grayndler's question because, as the member for Grayndler is aware, questions cannot contain inferences and imputations, and the inference and imputation in the member's question have ruled it out of order.

Mr McMullan—Mr Speaker, I rise in response to that ruling. Are you saying that it is not possible to question a minister as to (a) whether they are aware of a donation to the political party of which they are a member, and (b) whether that donation affected their performance? Are you saying that that fundamental question of accountability—that is exactly what it was—cannot be asked in this place?

Mr SPEAKER—In response to the comment made by the Manager of Opposi-

tion Business, I indicate that I believe it is entirely proper for question time to be an opportunity for members to ask questions of ministers, but what I cannot allow to stand is a question that contains a specific imputation or inference. Had the member for Grayndler so framed his question that he had suggested that the minister's decision may have been influenced by some other external factor, I would, I would have thought, consistent with what previous Speakers have ruled, allowed the question to stand.

Mr Beazley—Mr Speaker, I raise a point of order going to the question of whether or not it is within standing orders. It is very difficult to see what is wrong with this:

Minister, can you confirm that the owner of Yagoona Nursing Home ... has contributed \$14,000 to the Liberal Party in the last five years?

What is wrong with that?

Is that why you have exempted the Yagoona Nursing Home ... from ... standards?

It is a perfectly—

Mr SPEAKER—The Leader of the Opposition cannot repeat the question. He will resume his seat.

Mr Albanese—On a point of order, Mr Speaker: I was not given the opportunity to complete my question. Had I been, the final part of the question is: why has this provider been given special—

Mr SPEAKER—The member for Grayndler will resume his seat. The imputation in the question was, as anyone could tell, that the person responsible for the Yagoona Nursing Home had in some way purchased accreditation.

Mr McMullan—Mr Speaker, the key paragraph, which is the one to which I assume you are referring, is the one which says, 'Is that why you have exempted ...' That is questioning the—

Government members interjecting—

Mr SPEAKER—The Manager of Opposition Business has the call. The question he has put thus far is entirely in order and he deserves to be heard.

Mr McMullan—That is quite clearly questioning whether the minister has behaved properly. It does not suggest that the person concerned has behaved improperly. They are entitled to donate or not as they choose. What ministers are not entitled to do is to be influenced by those donations. That is our allegation, and that is what—

Mr SPEAKER—The Manager of Opposition Business will resume his seat.

Mr Reith—Mr Speaker, I put it to you that your response to the question is entirely in accordance with the standing orders, in particular standing order 153, which states:

Questions shall not be asked which reflect on or are critical of the character or conduct of those persons whose conduct may only be challenged on a substantive motion, and notice must be given of questions critical of the character or conduct of other persons.

For the benefit of members on the other side, your advice to the honourable member, Mr Speaker, is also supported by *House of Representatives Practice*, on page 515, which simply amplifies. It was quite clear what the imputation was in the question. On that basis, I believe it would be appropriate to invite a question from this side of the House.

Mr Beazley—On the point of order, Mr Speaker: it will become virtually impossible to ask questions of any seriousness in order to get accountability in this place if you rule out this question. Even if you ruled other sections of the question out of order, which you should not, what on earth is wrong with a question which says:

Minister, can you confirm that the owner of the Yagoona nursing home—

Mr SPEAKER—The Leader of the Opposition cannot repeat the question. I have ruled the question out of order and you will resume your seat.

DISSENT FROM RULING

Mr BEAZLEY (Brand—Leader of the Opposition) (3.12 p.m.)—I move:

That the Speaker's ruling be dissented from. Question time is the one time when the people of Australia have an opportunity to hold accountable the government of the day. It is

more often an opportunity used by the government to have itself asked dorothy dixers to abuse the opposition, but every now and then suspicious circumstances occur and questions start to be asked. When we were in government, we had to put up with repeated accusations, be they about piggeries or all sorts of matters related to business interests and political donations associated allegedly with subsequent policies, and not once did the then Speaker rule those out of order. They were asked repeatedly, yet the government of the day did not take umbrage, because they assumed it was part of the normal accountability processes. Let us go through this question. Apparently, under this ruling, it is now not possible to ask a question like this:

Can you confirm that the owner of the Yagoona nursing home, Mrs Millie Phillips, has contributed \$14,000 to the Liberal Party?

It has been known from time to time for Speakers to rule out parts of questions and to accept others. But, if you rule that out, there cannot ever be one question asked in this House about a political donation to any minister of state—not ever. How on earth is accountability going to function in this chamber if, on a question which requires constant vigilance and on which there are always high levels of public suspicion about the relationship between political donations and decisions of government, you cannot in this place stand up and ask a simple question like that for verification? How can a government ever be held accountable in this place?

Then the question goes on. Remember that in answer to the previous question the minister conceded that exemptions were given in relation to this nursing home. She said they had nothing to do with her and had everything to do with the accreditation authority. That is what she said. Nevertheless, she conceded that exemptions were given. She did not deny the fact that on her own—

Mr Reith—Mr Speaker, I raise a point of order.

Mr Martin Ferguson interjecting—

Mr SPEAKER—The member for Batman is warned!

Mr Reith—The Leader of the Opposition wants to broaden his remarks beyond the motion which is before the chamber. It has long been required of those moving a motion of dissent to confine their remarks to the matter immediately before the chair, namely, whether this question offends the standing orders. I appreciate that, given that the precedents on this are absolutely black and white, he finds himself looking beyond the issue to fill in his time. Mr Speaker, I put it to you that there is a very strict requirement—there always has been—that he has to stick specifically to the motion which he has moved, and he should therefore be ruled out of order when he strays beyond that motion.

Mr BEAZLEY—On the point of order, Mr Speaker, whether your ruling is correct depends upon the context in which a particular question is asked—always. This happens to follow a line of questioning, which is why we proceed from an argument about how one particular question was answered into the asking of the next question. It is entirely within order that I should be able to draw a connection between the two questions asked in establishing the fact that this particular question was legitimate within the framework of our standing orders.

Mr Reith—Mr Speaker—

Opposition members interjecting—

Mr SPEAKER—The member for Prospect is warned!

Mr Reith—On the point of order, Mr Speaker, I put it to you that it is not open to the Leader of the Opposition to canvass the allegations he wants to make against the minister within the confines of this particular motion. As I put to you earlier, there is no fancy language to get him out of the difficulties he is now in, namely, the fact that he has moved a motion of dissent, and he should stick to the motion of dissent in the arguments that he puts.

Mr SPEAKER—The Leader of the House raised a point of order. I have not as yet ruled any comments made by the Leader

of the Opposition out of order. The Leader of the Opposition has the call. He obviously has an obligation to abide by the standing orders, and I will indicate to him if he does not.

Mr BEAZLEY—I will get back to the point that I was making from the previous question: the previous question had, of course, gone to whether the standards of the accreditation authority have been breached. What we got from the minister on that occasion was, effectively, the answer, ‘Yes, but not by me’—they were breached by a departmental agency to assist, she alleges, the nursing home to meet its particular criteria. In order to establish why this is a relevant question to ask and why it is legitimate under standing orders, it is necessary for us to establish why this should be pursued as a legitimate matter of concern in this place. Under those guidelines, those rules that we sought to table, one thing is made amply clear: if you breach one of those rules in a critical way, you lose your accreditation. This particular nursing home breached four, two of which were critical—and therefore we seek an explanation.

Mr Reith—Mr Speaker, I raise a point of order. The question of the application of rules within the minister’s department is simply not within the purview of the motion which has been moved by the Leader of the Opposition. It is plainly obvious that the only arguments he can put are why the question should be allowed under the standing orders. That is the only matter he can address himself to and I ask, on a point of order, that he be required to stick to the motion, as has previously always been the case, in accordance with practice and convention in the chamber.

Mr SPEAKER—The Leader of the Opposition understands the constraints of the debate. He must indicate where in some way my ruling has made it difficult for a question to be asked.

Mr BEAZLEY—Exactly. What we established in the previous question was that there had been clearly a breach of the government standards one way or another, whoever was responsible for it. I do not think

there is any doubt about that. In this case, there was an excuse offered as to why that should occur. We proceeded with a question then subsequent to that. The first part of the question was a purely factual request for information on whether or not the minister knew that the person concerned was a prominent contributor to the Liberal Party. If you rule that sort of question out, we can all go home and not go with the bother of question time.

Having established that something happened to allow a nursing home which had been in breach of two guidelines critically and two substantially, when only one breach is permitted, when only one breach is enough to see you out—a pretty unusual set of circumstances, you would concede, Mr Speaker—we went on to ask a question as to whether or not this unusual set of circumstances, that exemption, was a product of the decision by this particular individual to make contributions to the Liberal Party, and to ask whether or not that was the reason for the minister's decision. I should point out to you, Mr Speaker, that only a few days ago, on 24 May, you permitted, quite rightly, a question along these lines. It was this question:

My question is also to the Minister for Financial Services and Regulation. Minister, why have you not asked the general insurance industry to make any contribution to the HIH bailout from their \$10.9 billion asset reserves, instead of leaving all of the burden of the collapse to fall on taxpayers and HIH policyholders? Is your reluctance to seek an industry contribution related to the insurance industry's generous political donations to the Liberal Party, which include \$682,000 from HIH itself?

What is the difference in principle between that question, which sought to establish a linkage between lackadaisical standards in relation to the supervision of the insurance industry and a massive political contribution to the Liberal Party, and one about a quite extraordinary set of breaches of the government's own guidelines in relation to nursing homes and a contribution to the Liberal Party from the nursing home's owner? What is the difference in principle between those two—one a matter that was accepted by you only a

few days ago and one that was evidently not today. The reason why we ask these questions and why it is necessary for us to be able to draw linkages between the two is that some of the most vulnerable people in this community are residents of that nursing home. Were you to sit down and read through—

Mr Reith—I raise a point of order, Mr Speaker. No-one disputes the importance of having proper standards in nursing homes. The issue before the chair is a quite specific issue. In this particular case, Mr Speaker, a person was named in the question; you acted in accordance with the standing orders, in conformity with longstanding practice—a difference that the Leader of the Opposition has failed to note with previous questions in regard to HIH. On that basis, the fact is—

Mr SPEAKER—The Leader of the House will come to his point of order.

Mr Reith—My point of order is that he is required by the standing orders to stick to the issue; he is clearly, in the face of a lack of substantive points, moving beyond the motion.

Mr BEAZLEY—Mr Speaker, I am sticking to the point here. If those sorts of personal allegations in that way were out of order, the endless epithets that you throw at me and members of our frontbench on industrial relations policy, on budget policy and on our relationship with the union movement would be out automatically.

Mr SPEAKER—The Leader of the Opposition understands the obligation to come to the matter before the chair. The chair has not recently intervened on industrial relations matters. The Leader of the Opposition has the call.

Mr BEAZLEY—Mr Speaker, I would submit to you that, invariably, when you are discussing a matter of a dissent from the Speaker's ruling on the question of whether or not a particular question was within standing orders, you will draw examples from past practice. There is no other way to argue. You argue from precedent.

Mr SPEAKER—I would remind the Leader of the Opposition that at no stage have I intervened in any speech. I invite him now to come back to the matter before the chair.

Mr BEAZLEY—I am not blaming you, Mr Speaker; I am blaming the fellow who keeps interjecting. The reason why it is reasonable for a question in this place to be asked to establish a linkage between the already conceded unusual treatment of this particular nursing home and the donation goes to why we have accountability in this place and why you in the past have rightly permitted these sorts of questions. In this place, apart from all our other duties, one of our duties is to protect the most vulnerable people in our community. A 96-page report has gone into this nursing home. There has to be an explanation as to why it is still open. It is rated as unacceptable in 20 of the 44 care outcomes—insufficient continence aids, no airconditioning, hot water routinely runs out—

Mr SPEAKER—The Leader of the Opposition must come to the point at which—

Mr BEAZLEY—The point is this, Mr Speaker—

Mr SPEAKER—The Leader of the Opposition must, as he knows, come to the point of the matter before the chair, which is dissent from the Speaker's ruling. It seems to have very little to do with incontinence aids, if I may so observe.

Mr BEAZLEY—It is to do with dissent from the Speaker's ruling, because this is a question that it is competent to ask within the framework of standing orders. That is the point. Part of establishing that competence to ask that question goes to the character of what has preceded it. This is not a question that came to you cold. This is not a question that came to you without precedent in terms of a relationship between political donations and a responsive action by the minister. This question did not go to the behaviour of any person outside this chamber. It went to the behaviour of the minister and what influenced the minister. That is what it went to. You are trying to draw a bogus distinction

between the \$682,000 given by HIH, the corporate entity, to the Liberal Party, referred to in a question that you permitted, and a question about a person who is the owner of a nursing home and the donation by them to the Liberal Party. The argument, as apparently we shall hear from the Leader of the House, is that there is a distinction between the two. There is no distinction between the two when the question at heart involves not the person concerned but the actions of the particular minister. That is what draws a distinction between the two. We are attempting to get at the basis of what the minister has been doing in administering—or maladministering—her portfolio and the motives and concerns that influenced her in the decisions that she took or chose not to take.

That is the very essence of accountability in this place. We have a serious situation in relation to this nursing home, a serious situation—hot water routinely runs out, residents not getting enough food, high injury rates among residents. We want to get an answer to that. Why is that occurring? It is perfectly open to the minister to answer that question and I saw that she was up there begging the Prime Minister to be allowed to answer it. The Prime Minister was shutting her up and saying, 'No, don't you get up on your scrapers and answer it. Don't you get up and help the Speaker out of his difficulty. Don't you stand up and give an answer to these things.'

Mr SPEAKER—The Leader of the Opposition knows—

Mr Reith—I raise a point of order, Mr Speaker. As I recall the event, you acted of your own accord. It is inappropriate and irrelevant for the Leader of the Opposition to be making baseless claims such as that. It is quite unreasonable, and he should again be required to stick to the question.

Mr SPEAKER—The Leader of the Opposition will come back to the matter before the chair, which is the dissent from the Speaker's ruling.

Mr BEAZLEY—The final part of the question that you were asked, Mr Speaker, was: why has this provider been given spe-

cial treatment and her residents forced to suffer substandard care? There is no argument about her residents being forced to suffer substandard care. That has been conceded by the minister. It has been conceded by the minister in the answer to the question previously asked. She has an argument about it, an explanation—

Mr SPEAKER—The Leader of the Opposition will come to the point that is before the chair, which is the dissent from the Speaker's ruling.

Mr BEAZLEY—The point is this, Mr Speaker: you ruled this out of order, and that is why I am going to the substance of the question and asking why, in any common-sense terms, that should be regarded as out of order within the meaning of standing orders. Why has this provider been given special treatment? There is no argument that there has been special treatment given to this particular nursing home: it has been conceded, effectively, by the minister herself that there has been special treatment. She has conceded that it is massively in breach of the guidelines—massively in breach—and that residents have been forced to suffer substandard care. It has been conceded by the minister. What we are attempting to do here is to establish why. We ask the sort of questions that oppositions since time immemorial have asked in the parliaments of the Commonwealth, the parliaments in the Westminster system: is there a linkage between the donation and the action? If you cannot ask a question in a place like this chamber—where, I might say, the government flings such accusations around repeatedly, unctuously, massively, at this side of the House—then there is no accountability here. That is why your ruling must be dissented from, Mr Speaker.

Mr McMullan—I second the motion and reserve my right to speak.

Mr REITH (Flinders—Leader of the House) (3.32 p.m.)—Mr Speaker, the government completely rejects this motion and will certainly not be supporting it. The reason we do so is that the question that was asked by the opposition was clearly out of

order, and I will refer you to the respected authorities on the issue of which questions are in order and which are not. From the government's point of view, the opposition are entitled to ask absolutely any question on any subject matter that they want to, provided it is within the standing orders. It is as simple as that.

On this particular occasion we have had question time effectively brought to a halt because the opposition asked a question and you, Mr Speaker—not the government—raised a point of order. I did not rise on a point of order, and there were no points of order from the member for Parramatta or the member for Hughes or the member for Curtin—all of whom, I must say, know the standing orders a lot better than anybody on the other side does. No-one on this side of the House raised a point of order, because it was as plain as the nose on your face that the question was out of order. Whatever might be said, the fact of the matter is that you, Mr Speaker, know a question which is out of order when you hear it, and you heard one which was an open and shut case. The question was clearly out of order, and so what did you do? You did exactly what any other Speaker would have done and has done when sitting in that chair—whether Liberal, Labor or Callithumpian. If you go back, you will find that on each and every occasion when there has been a black-and-white case where the question was out of order, the Speaker would say so. Mr Speaker, we would expect nothing less from you.

Mr Speaker, you do know the standing orders. You obviously know the standing orders a lot more than does a former Leader of the House, the now Leader of the Opposition, who clearly has not for a long time bothered to read the standing orders, let alone *House of Representatives Practice*. He gave the game away: when the Leader of the Opposition rose to speak to his motion, he said, 'When we were the government, the opposition asked us shocking questions about Paul's pigs and you name it: all these rotten questions you used to ask us.' Well, the fact of the matter is that an opposition that knows its standing orders is entitled to

ask any question. All you have to do is be smart enough to know the standing orders and to ask questions in accordance with the standing orders.

There is only one issue here today which has been brought up by the Leader of the Opposition and that is whether or not this particular question falls within the standing orders. It plainly does. The Leader of the Opposition then said, 'We asked a question about HH the other day. How come that one was in order and today's question was not?' Again it is as plain as plain could be: in the question that was asked today, a particular individual was named by the questioner. It is no wonder that that brought the matter immediately to your attention, because anybody who knows anything about the standing orders will immediately have their interest stimulated when a question contains a specific, named individual with a particular allegation attached to it. Mr Speaker, I refer you to the standing orders.

Opposition members interjecting—

Mr REITH—I do not need points of order to interrupt my time, to lengthen it, as the Leader of the Opposition does, so that he has time to fill in. I want to comprehensively knock this over and then I will be pleased to advise the House that enough will be enough.

Ms Macklin—You're just blathering on.

Mr REITH—Blathering on? Reading the standing orders? That is the Labor Party for you: when you reach for the standing orders, they say, 'You're just blathering on.' I have got news for the member for Jagajaga: we try to operate the place on the basis of the standing orders—something you obviously have failed to understand. Standing order 153 says:

Questions shall not be asked which reflect on or are critical of the character or conduct of those persons whose conduct may only be challenged on a substantive motion, and notice must be given of questions critical of the character or conduct of other persons.

I heard the question. The first thing I took out of it was that there was an attempted bribe, effectively. That was the first thing.

Mrs Crosio—You didn't take a point of order.

Mr REITH—I did not need to take a point of order because I have every confidence that the Speaker could see a question which was clearly out of order. It is incredible that the brains trust on the other side could not see a question that was obviously out of order. That is why we on this side say that this is the weakest opposition since Arthur Calwell, and we have just had a demonstration of that today on standing orders. Standing orders are very clear, and they are amplified by *House of Representatives Practice*. I refer honourable members to the particular reference, which starts on page 514 and continues on page 515 as follows:

Questions critical of the character or conduct of other persons cannot be asked without notice. Although this rule is generally applied to named persons, it has also been applied to unnamed, but readily identifiable, persons. Such questions may, however, be placed on the Notice Paper—

That means, of course, that you can ask questions on those matters, which completely denies the claim that there is somehow a lack of accountability. I thought I heard the Leader of the Opposition virtually say that this was the end of democracy as we know it. He ought to then go on and read:

The purpose of the rule is to protect a person against criticism which could be unwarranted.

What wise words those are from the editor of *House of Representatives Practice*, as it has been common practice for the Labor Party to make unsubstantiated allegations against people who are not in this chamber, unable to protect themselves. Furthermore, it goes on to say:

A question on notice does not receive the same publicity and prominence as a question without notice and the reply can be more considered.

Mr Speaker, you could not get a clearer statement of that. But furthermore—just to put this to the Leader of the Opposition and his 'brains trust'—you yourself last December made a statement to the House and reminded members of the parliament what their obligations were under the standing orders. Mr Speaker, not only were you quick

off the mark today to knock off a question that was clearly out of order, but you also had the foresight to realise that the Labor Party, in their usual tricks, would be likely to find themselves in breach of the standing orders, so you let fly a shot across their bows, shall we say—I am sure you would not put it that way.

Mr SPEAKER—I interrupt the Leader of the House only to remind him that the shot was let fly across everybody's bows.

Mr REITH—Of course it was, Mr Speaker. I felt that interjection coming. What you said on Thursday, 7 December last year, just before Christmas, was:

Standing order 153 provides that questions shall not be asked which reflect on or are critical of the character or conduct of those persons whose conduct may only be challenged on a substantive motion.

Mr Speaker, as I say again, it is an open and shut case. You acted on your own initiative. Of course the government supports your ruling, because it is plainly within the standing orders. The Leader of the Opposition then had the gall to say that the government was not prepared to answer questions on this particular matter. That is a particularly offensive claim.

Mr McMullan—I raise a point of order, Mr Speaker. I take it that the standing orders as applied to the Leader of the Opposition will apply to the Leader of the House and he will have to stick to the motion as well—not that distraction and diversion which he is just pursuing.

Mr SPEAKER—I will listen closely to what the Leader of the House is saying.

Mr REITH—Mr Speaker, I answer the point of order by making a point which is very relevant to the issues raised and also to the comments made by the Leader of the Opposition. That is to say, and I refer particularly to the motion, that the standing orders do allow governments to be held to account, and for 100 years governments have been held to account and ministers have been asked searching questions about their portfolios. We have all seen it in this chamber. The standing orders have not changed in this re-

gard. The only thing that has changed on this particular occasion is that the tactics committee on the opposition side failed to understand the standing orders and then asked a question outside the standing orders.

I do not need 20 minutes to knock this off. This attack on your ruling, Mr Speaker, is one of the most flimsy and one of the poorest motions I have seen. It does not surprise me. The Labor Party had obviously run out of questions during question time and they thought they would run this as a bit of a distraction. It does not deserve the support of any members. Those on the other side will of course, in keeping with their long tradition, do what they are told. But the fact is that this is a very flimsy and weak motion put up by the Leader of the Opposition, it does not deserve any support and the government will certainly reject it.

Mr McMULLAN (*Fraser—Manager of Opposition Business*) (3.42 p.m.)—Mr Speaker, question time is very important in terms of accountability of ministers. We need, in dealing with motions for dissent from your ruling, to look at what is the purpose of question time, what it is that we are pursuing, why this particular question was important—

Motion (by **Mr Reith**) proposed:

That the question be now put.

Mr SPEAKER—The question is that the question be put. All of those of that opinion say aye, the contrary no. I think the ayes have it. Is a division required? A division is required. Ring the bells for four minutes.

The bells being rung—

Mr Tuckey interjecting—

Mr McMullan interjecting—

Mr SPEAKER—The Minister for Forestry and Conservation! The Manager of Opposition Business!

Mr Tuckey interjecting—

Mr SPEAKER—Minister!

Mr McMullan interjecting—

Mr SPEAKER—Manager of Opposition Business!

Mr McMullan—You abuse your privilege to beat people up.

Mr SPEAKER—I will take the necessary action under the standing orders for both the minister and the Manager of Opposition Business if they provoke me any further.

The bells having been rung—

Mr SPEAKER—Lock the doors. The question is that the Manager of Opposition Business be no longer heard.

The House divided. [3.47 p.m.]

(Mr Speaker—Mr Neil Andrew)

Ayes.....	74
Noes.....	<u>66</u>
Majority.....	8

AYES

Abbott, A.J.	Anderson, J.D.
Andrews, K.J.	Anthony, L.J.
Bailey, F.E.	Baird, B.G.
Barresi, P.A.	Bartlett, K.J.
Billson, B.F.	Bishop, B.K.
Bishop, J.I.	Brough, M.T.
Cadman, A.G.	Cameron, R.A.
Causley, I.R.	Charles, R.E.
Costello, P.H.	Downer, A.J.G.
Elson, K.S.	Entsch, W.G.
Fahey, J.J.	Fischer, T.A.
Forrest, J.A *	Gallus, C.A.
Gambaro, T.	Gash, J.
Georgiou, P.	Haase, B.W.
Hardgrave, G.D.	Hawker, D.P.M.
Hockey, J.B.	Howard, J.W.
Hull, K.E.	Jull, D.F.
Kelly, D.M.	Kelly, J.M.
Kemp, D.A.	Lawler, A.J.
Lieberman, L.S.	Lindsay, P.J.
Lloyd, J.E.	Macfarlane, I.E.
May, M.A.	McArthur, S *
McGauran, P.J.	Moylan, J. E.
Nairn, G. R.	Nehl, G. B.
Nelson, B.J.	Neville, P.C.
Prosser, G.D.	Pyne, C.
Reith, P.K.	Ronaldson, M.J.C.
Ruddock, P.M.	Schultz, A.
Scott, B.C.	Secker, P.D.
Slipper, P.N.	Somlyay, A.M.
Southcott, A.J.	St Clair, S.R.
Stone, S.N.	Sullivan, K.J.M.
Thompson, C.P.	Thomson, A.P.
Truss, W.E.	Tuckey, C.W.

Vale, D.S.
Washer, M.J.
Wooldridge, M.R.L.

Wakelin, B.H.
Williams, D.R.
Worth, P.M.

NOES

Adams, D.G.H.	Albanese, A.N.
Beazley, K.C.	Bevis, A.R.
Brereton, L.J.	Burke, A.E.
Byrne, A.M.	Corcoran, A.K.
Cox, D.A.	Crean, S.F.
Crosio, J.A.	Danby, M.
Edwards, G.J.	Ellis, A.L.
Emerson, C.A.	Evans, M.J.
Ferguson, L.D.T.	Ferguson, M.J.
Fitzgibbon, J.A.	Gibbons, S.W.
Gillard, J.E.	Griffin, A.P.
Hall, J.G.	Hatton, M.J.
Hoare, K.J.	Hollis, C.
Horne, R.	Irwin, J.
Jenkins, H.A.	Kernot, C.
Kerr, D.J.C.	Latham, M.W.
Lawrence, C.M.	Lee, M.J.
Livermore, K.F.	Macklin, J.L.
Martin, S.P.	McClelland, R.B.
McFarlane, J.S.	McLeay, L.B.
McMullan, R.F.	Melham, D.
Morris, A.A.	Mossfield, F.W.
Murphy, J. P.	O'Byrne, M.A.
O'Connor, G.M.	O'Keefe, N.P.
Plibersek, T.	Price, L.R.S.
Quick, H.V.	Ripoll, B.F.
Roxon, N.L.	Rudd, K.M.
Sawford, R.W *	Sciaccia, C.A.
Sercombe, R.C.G *	Short, L.M.
Sidebottom, P.S.	Smith, S.F.
Snowdon, W.E.	Swan, W.M.
Tanner, L.	Thomson, K.J.
Wilkie, K.	Zahra, C.J.

PAIRS

Vaile, M.A.J. Gerick, J.F.
* denotes teller

Question so resolved in the affirmative.

Ms Macklin—Mr Speaker, I rise on a point of order. The division was not on the question that you just said.

Mr SPEAKER—The member for Jaga-jaga will resume her seat. I was about to clarify that point.

Ms Macklin—We are trying to find out whether this Liberal minister—

Mr SPEAKER—The member for Jaga-jaga will resume her seat. The member for

Jagajaga is in fact perfectly right. The Leader of the House indicated that the question was that the question be now put. I in fact, in calling for the division, indicated that the question was that the Manager of Opposition Business be no longer heard. It was therefore my proposal to now put the question that the question be now put. All those of that opinion say aye, the contrary no.

Mr McMullan—Mr Speaker, on a point of order: how can you put that? All the members of the House have voted on the basis of your advice on what the question was. How can you put that added question on which we are not to vote on? The next motion cannot be voted on until somebody moves it, which means that, as the member for Jagajaga proposes, she should have the call and a subsequent motion needs to be put to the House.

Mr Lee—On a point of order, Mr Speaker: would you clarify for the House if the vote which has just been completed was as you put it to the House or as moved by the Leader of the House? What was the vote that has just been completed?

Mr SPEAKER—In order to minimise any confusion, I should indicate to the House that the motion on which they have just voted was that the Manager of Opposition Business be no longer heard, because that was the question as I put it when everyone was seated in the House. It is therefore appropriate to now move to a motion that had already been put by the Leader of the House, which was that the question be now put. The Leader of the House had moved that the question be now put.

Mr McMullan—But he has not; nothing has been.

Mr SPEAKER—The Leader of the House has moved that the question be now put, and I have already put the question and called for those in favour and heard yes, and those against it and heard no. Is a division required? A division is required. Ring the bells for one minute.

The bells being rung—

Mr McMullan—On a point of order, Mr Speaker—

Honourable members interjecting—

Mr SPEAKER—When the House has come to order, including the Treasurer.

Mr Price interjecting—

Mr SPEAKER—The Manager of Opposition Business was seeking the call, and any interjection from the member for Chifley is out of order.

Mr McMullan—Mr Speaker, under what standing order can a motion be put to the chair subsequent to a vote without any intervening business and without a member moving the motion which you are now purporting to put?

Mr SPEAKER—Let me indicate to the Manager of Opposition Business that in fact the motion that we are currently debating had been moved by the Leader of the House. But when I called the motion—because in fact, as the Manager of Opposition Business knows, he was resuming his seat at the time—I, not surprisingly but in error, put to the assembled House that the question was that the Manager of Opposition Business be no longer heard. There is no attempt here in any way to thwart the democratic process; quite the contrary. I am endeavouring to give members the maximum opportunity to participate in the debate. Lock the doors! For that reason, we are currently about to divide on the question as to whether or not the question should be put.

The doors having been locked—

Mr McMullan—Mr Speaker, on a point of order: had you not ruled that way the member for Jagajaga would have had the call prior to that motion. She would have had the chance to make her contribution until the Leader of the House got the standing orders right and moved his motion.

Mr SPEAKER—I would remind the Manager of Opposition Business that, far from acting in any unconstitutional way, I have in fact put the motion already moved by the Leader of the House. The question is that the motion be agreed to.

Mr Price—Mr Speaker, on a point of order: how is it possible that you put a question about which a motion has not been moved?

Mr SPEAKER—I would remind the member for Chifley that the matter has already been moved by the Leader of the House.

Mr Price—I am talking about the first question, not the second.

Mr SPEAKER—The member for Chifley is warned.

Mr Price—I am entitled to courtesy like every other member.

Mr SPEAKER—The member for Chifley will be dealt with at the conclusion of the division. The question before the chair is that the question be now put.

The House divided. [3.56 p.m.]

(Mr Speaker—Mr Neil Andrew)

Ayes.....	74
Noes.....	<u>66</u>
Majority.....	8

AYES

Abbott, A.J.	Anderson, J.D.
Andrews, K.J.	Anthony, L.J.
Bailey, F.E.	Baird, B.G.
Barresi, P.A.	Bartlett, K.J.
Billson, B.F.	Bishop, B.K.
Bishop, J.I.	Brough, M.T.
Cadman, A.G.	Cameron, R.A.
Causley, I.R.	Charles, R.E.
Costello, P.H.	Downer, A.J.G.
Elson, K.S.	Entsch, W.G.
Fahey, J.J.	Fischer, T.A.
Forrest, J.A *	Gallus, C.A.
Gambaro, T.	Gash, J.
Georgiou, P.	Haase, B.W.
Hardgrave, G.D.	Hawker, D.P.M.
Hockey, J.B.	Howard, J.W.
Hull, K.E.	Jull, D.F.
Kelly, D.M.	Kelly, J.M.
Kemp, D.A.	Lawler, A.J.
Lieberman, L.S.	Lindsay, P.J.
Lloyd, J.E.	Macfarlane, I.E.
May, M.A.	McArthur, S *
McGauran, P.J.	Moylan, J. E.
Nairn, G. R.	Nehl, G. B.
Nelson, B.J.	Neville, P.C.
Prosser, G.D.	Pyne, C.

Reith, P.K.
 Ruddock, P.M.
 Scott, B.C.
 Slipper, P.N.
 Southcott, A.J.
 Stone, S.N.
 Thompson, C.P.
 Truss, W.E.
 Vale, D.S.
 Washer, M.J.
 Wooldridge, M.R.L.

Ronaldson, M.J.C.
 Schultz, A.
 Secker, P.D.
 Somlyay, A.M.
 St Clair, S.R.
 Sullivan, K.J.M.
 Thomson, A.P.
 Tuckey, C.W.
 Wakelin, B.H.
 Williams, D.R.
 Worth, P.M.

NOES

Adams, D.G.H.	Albanese, A.N.
Beazley, K.C.	Bevis, A.R.
Brereton, L.J.	Burke, A.E.
Byrne, A.M.	Corcoran, A.K.
Cox, D.A.	Crean, S.F.
Crosio, J.A.	Danby, M.
Edwards, G.J.	Ellis, A.L.
Emerson, C.A.	Evans, M.J.
Ferguson, L.D.T.	Ferguson, M.J.
Fitzgibbon, J.A.	Gibbons, S.W.
Gillard, J.E.	Griffin, A.P.
Hall, J.G.	Hatton, M.J.
Hoare, K.J.	Hollis, C.
Horne, R.	Irwin, J.
Jenkins, H.A.	Kernot, C.
Kerr, D.J.C.	Latham, M.W.
Lawrence, C.M.	Lee, M.J.
Livermore, K.F.	Macklin, J.L.
Martin, S.P.	McClelland, R.B.
McFarlane, J.S.	McLeay, L.B.
McMullan, R.F.	Melham, D.
Morris, A.A.	Mossfield, F.W.
Murphy, J. P.	O'Byrne, M.A.
O'Connor, G.M.	O'Keefe, N.P.
Plibersek, T.	Price, L.R.S.
Quick, H.V.	Ripoll, B.F.
Roxon, N.L.	Rudd, K.M.
Sawford, R.W *	Sciacca, C.A.
Sercombe, R.C.G *	Short, L.M.
Sidebottom, P.S.	Smith, S.F.
Snowdon, W.E.	Swan, W.M.
Tanner, L.	Thomson, K.J.
Wilkie, K.	Zahra, C.J.

PAIRS

Vaile, M.A.J. Gerick, J.F.

* denotes teller

Question so resolved in the affirmative.

Original question put:

That the Speaker's ruling be dissented from.

The House divided. [4.00 p.m.]
(Mr Speaker—Mr Neil Andrew)

Ayes.....	66
Noes.....	<u>74</u>
Majority.....	8

AYES

Adams, D.G.H.	Albanese, A.N.
Beazley, K.C.	Bevis, A.R.
Brereton, L.J.	Burke, A.E.
Byrne, A.M.	Corcoran, A.K.
Cox, D.A.	Crean, S.F.
Crosio, J.A.	Danby, M.
Edwards, G.J.	Ellis, A.L.
Emerson, C.A.	Evans, M.J.
Ferguson, L.D.T.	Ferguson, M.J.
Fitzgibbon, J.A.	Gibbons, S.W.
Gillard, J.E.	Griffin, A.P.
Hall, J.G.	Hatton, M.J.
Hoare, K.J.	Hollis, C.
Horne, R.	Irwin, J.
Jenkins, H.A.	Kernot, C.
Kerr, D.J.C.	Latham, M.W.
Lawrence, C.M.	Lee, M.J.
Livermore, K.F.	Macklin, J.L.
Martin, S.P.	McClelland, R.B.
McFarlane, J.S.	McLeay, L.B.
McMullan, R.F.	Melham, D.
Morris, A.A.	Mossfield, F.W.
Murphy, J. P.	O'Byrne, M.A.
O'Connor, G.M.	O'Keefe, N.P.
Plibersek, T.	Price, L.R.S.
Quick, H.V.	Ripoll, B.F.
Roxon, N.L.	Rudd, K.M.
Sawford, R.W *	Sciacca, C.A.
Sercombe, R.C.G *	Short, L.M.
Sidebottom, P.S.	Smith, S.F.
Snowdon, W.E.	Swan, W.M.
Tanner, L.	Thomson, K.J.
Wilkie, K.	Zahra, C.J.

NOES

Abbott, A.J.	Anderson, J.D.
Andrews, K.J.	Anthony, L.J.
Bailey, F.E.	Baird, B.G.
Barresi, P.A.	Bartlett, K.J.
Billson, B.F.	Bishop, B.K.
Bishop, J.I.	Brough, M.T.
Cadman, A.G.	Cameron, R.A.
Causley, I.R.	Charles, R.E.
Costello, P.H.	Downer, A.J.G.
Elson, K.S.	Entsch, W.G.
Fahey, J.J.	Fischer, T.A.

Forrest, J.A *	Gallus, C.A.
Gambaro, T.	Gash, J.
Georgiou, P.	Haase, B.W.
Hardgrave, G.D.	Hawker, D.P.M.
Hockey, J.B.	Howard, J.W.
Hull, K.E.	Jull, D.F.
Kelly, D.M.	Kelly, J.M.
Kemp, D.A.	Lawler, A.J.
Lieberman, L.S.	Lindsay, P.J.
Lloyd, J.E.	Macfarlane, I.E.
May, M.A.	McArthur, S *
McGauran, P.J.	Moylan, J. E.
Nairn, G. R.	Nehl, G. B.
Nelson, B.J.	Neville, P.C.
Prosser, G.D.	Pyne, C.
Reith, P.K.	Ronaldson, M.J.C.
Ruddock, P.M.	Schultz, A.
Scott, B.C.	Secker, P.D.
Slipper, P.N.	Somlyay, A.M.
Southcott, A.J.	St Clair, S.R.
Stone, S.N.	Sullivan, K.J.M.
Thompson, C.P.	Thomson, A.P.
Truss, W.E.	Tuckey, C.W.
Vale, D.S.	Wakelin, B.H.
Washer, M.J.	Williams, D.R.
Wooldridge, M.R.L.	Worth, P.M.

PAIRS

Gerick, J.F. Vaile, M.A.J.
Question so resolved in the negative.

Mr Howard—Mr Speaker, I ask that further questions be placed on the *Notice Paper*.

DIVISIONS: CONDUCT

Mr SPEAKER (4.06 p.m.)—The member for Chifley raised with me the matter of the way in which those divisions were dealt with. I remind the House that the Leader of the House rose and moved 'That the question be now put' while the Manager of Opposition Business was addressing the House, which is of course an entirely acceptable procedure under the standing orders. The bells were then rung, and people came into the chamber assuming that they were voting on the question 'That the question be now put'. In error, I indicated to the House, when the entire chamber was assembled, that we were voting on the question as to whether or not the Manager of Opposition Business should be further heard. That vote took place. Unresolved, in my view, was still the

question as to whether or not the question should be put. So, in order to ensure that no-one could in any way be disadvantaged—and I reinforce the fact that this question had already been put by the Leader of the House—I subsequently put that question. That was an unusual course of action, I would freely concur, but it seemed to me the one way to ensure that no-one could claim that they were disadvantaged in any way at all.

I am sure that, had the member for Chifley been entirely aware of that, he may not have interrupted me as he did. He must, nonetheless, be aware of the fact that, no matter who the occupier of the chair is, there is no excuse for interjection while the chair is making a point of order of any form. For that reason, I require him to excuse himself from the chamber under the provisions of 304A.

The member for Chifley then left the chamber.

PERSONAL EXPLANATIONS

Mrs BRONWYN BISHOP (*Mackellar—Minister for Aged Care*) (4.08 p.m.)—Mr Speaker, I would like to make a personal explanation. I claim to have been misrepresented.

Opposition members interjecting—

Mrs BRONWYN BISHOP—I am seeking leave to do so, Mr Speaker.

Mr SPEAKER—The Minister for Aged Care does not as yet have the call. It would strike me that there are a number of members who are already abusing the forms of the House. The Prime Minister quite clearly moved that further questions be put on the *Notice Paper*.

Mrs Crosio interjecting—

Mr SPEAKER—If I were to deal with the member for Prospect in the same even-handed way as I have dealt with the member for Chifley, she would no longer be in the chamber. Does the Minister for Aged Care claim to have been misrepresented?

Mrs BRONWYN BISHOP—Yes, I do, Mr Speaker.

Mr SPEAKER—The Minister for Aged Care may proceed.

Mrs BRONWYN BISHOP—I claim to have been misrepresented by two members of the opposition: firstly, the member for Jagajaga and, secondly, the member for Grayndler. The misrepresentation was as follows: it was that (a) I had power to make any decision with regard to accreditation. I do not have such a power and I did not attempt to intervene—

Mr Beazley—Mr Speaker, on a point of order: this is not claiming to be misrepresented.

Mr SPEAKER—If I were to hear the minister do other than make a personal explanation, I would require her to resume her seat.

Mrs BRONWYN BISHOP—As I said, I had no such power and I did not make any such decision concerning accreditation. Secondly, there was an implication that I would respond to a donation in making such a—

Opposition members interjecting—

Mrs BRONWYN BISHOP—Oh, it is amazing, isn't it? Such false indignation!

Mr McMullan—Mr Speaker, I want to raise two points of order with regard to this. One is that the minister is purporting to respond to the member for Grayndler.

Government members interjecting—

Mr SPEAKER—The Manager of Opposition Business has the call.

Mr McMullan—The minister said she was responding to the member for Grayndler. You cannot allow a procedure whereby a minister can reply to a question which you have ruled out of order and not allowed to be concluded. Secondly, if I understood your ruling with regard to the question, it was that you implied in some way that it was an implication with regard to a person outside the House. Had it been referring to the minister, it would have been in order. Therefore, you cannot both allow her to have a personal explanation about the question and rule the question out of order.

Mr SPEAKER—I indicate to the Manager of Opposition Business that I have listened closely to what the minister was saying. Her response to the first misrepresenta-

tion was entirely in order, because in fact she was indicating that there had been a suggestion that she had power that she does not have. She cannot respond to the question which has been ruled out of order.

Mrs BRONWYN BISHOP—Mr Speaker, I was also misrepresented by the Leader of the Opposition in his speech when he alleged that I had responded to a donation being made to a political party, and I did not. He drew together the misrepresentation—

Mr Beazley—Mr Speaker, I take a point of order: as you well know, because you listened to my speech extremely carefully, my complaint was about not being able to ask questions on that matter, not an allegation. In those circumstances, she is not responding on a personal explanation where she has been misrepresented.

Mr Lee—Mr Speaker, on two occasions the minister has accused the Leader of the Opposition of being a grub—I do not know whether you heard that—and I would ask you to consider whether that is parliamentary language.

Mr SPEAKER—If the minister has any further personal explanation, I will hear her, but she cannot refer to the question which I have ruled out of order.

Mrs BRONWYN BISHOP—I am not referring to the question; I am referring to the remarks by the Leader of the Opposition in his dissertation.

Mr Lee interjecting—

Mr SPEAKER—I beg your pardon. The member for Dobell raised the question of unparliamentary language.

Mr Lee—Do you intend to rule on that point of order, Mr Speaker?

Mr SPEAKER—I would ask the minister to withdraw any inference she made about the Leader of the Opposition.

Mrs BRONWYN BISHOP—I withdraw that, Mr Speaker. I would like to return to the point I was making of having been misrepresented.

Opposition members interjecting—

Mrs BRONWYN BISHOP—Didn't you listen?

Mr SPEAKER—The minister is addressing her remarks through the chair.

Mrs BRONWYN BISHOP—I am referring to the misrepresentation by the Leader of the Opposition during his dissertation. The fact of the matter was that he implied that there was a connection—

Mr Beazley interjecting—

Mr SPEAKER—Leader of the Opposition, I am listening very closely to the minister. To date, she has not indicated what the implication was or what it was related to, and it would be quite improper for me to rule in any way at all.

Mrs BRONWYN BISHOP—He made an implication that there was a connection between a donation and me making a decision. I neither had the power nor did I make any such decision.

Mr Beazley—Mr Speaker, I constantly argued about not whether or not there was but whether it was legitimate to ask that question. Right through that speech—

Mr SPEAKER—The Leader of the Opposition will resume his seat. I have indicated that in fact it is not proper for the minister to claim to have been misrepresented on an issue on which I had ruled a question out of order. I would, however, point out to the House, as I hope they are all well aware, that it is perfectly in order, as has been mentioned during the debate, for the member for Grayndler to put his question on notice and the minister to respond to it in that form.

Mrs Bronwyn Bishop—I simply want to say with regard to the second misrepresentation—

Mr SPEAKER—The minister does not have the call.

PETITIONS

The Clerk—Petitions have been lodged for presentation as follows and copies will be referred to the appropriate ministers:

Asylum Seekers: Work Rights

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled:

Whereas the 1998 Synod of the Anglican Diocese of Melbourne carried without dissent the following Motion:

That this Synod regrets the Government's adoption of procedures for certain people seeking political asylum in Australia which exclude them from all public income support while withholding permission to work, thereby creating a group of beggars dependent on the Churches and charities for food and the necessities of life;

and calls upon the Federal government to review such procedures immediately and remove all practices which are manifestly inhumane and in some cases in contravention of our national obligations as a signatory of the UN Covenant on Civil and Political Rights.

We, therefore, the individual, undersigned Members of the St Theodore's Anglican Church, Wattle Park, Victoria 3128, petition the House of Representatives in support of the abovementioned Motion.

by **Ms Burke** (from 22 citizens).

Asylum Seekers: Work Rights

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled:

Whereas the 1998 Synod of the Anglican Diocese of Melbourne carried without dissent the following Motion:

That this Synod regrets the Government's adoption of procedures for certain people seeking political asylum in Australia which exclude them from all public income support while withholding permission to work, thereby creating a group of beggars dependent on the Churches and charities for food and the necessities of life;

and calls upon the Federal government to review such procedures immediately and remove all practices which are manifestly inhumane and in some cases in contravention of our national obligations as a signatory of the UN Covenant on Civil and Political Rights.

We, therefore, the individual, undersigned Members of the St Faith's Anglican Church, Glen Iris, Victoria 3146, petition the House of Representatives in support of the abovementioned Motion.

And we, as in duty bound will every pray.

by **Mr Costello** (from 34 citizens).

Asylum Seekers: Work Rights

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled:

Whereas the 1998 Synod of the Anglican Diocese of Melbourne carried without dissent the following Motion:

That this Synod regrets the Government's adoption of procedures for certain people seeking political asylum in Australia which exclude them from all public income support while withholding permission to work, thereby creating a group of beggars dependent on the Churches and charities for food and the necessities of life;

and calls upon the Federal government to review such procedures immediately and remove all practices which are manifestly inhumane and in some cases in contravention of our national obligations as a signatory of the UN Covenant on Civil and Political Rights.

We, therefore, the individual, undersigned Members of the St Michael and All Angels' Anglican Church, Beaumaris, Victoria 3193, petition the House of Representatives in support of the abovementioned Motion.

by **Dr Kemp** (from 16 citizens).

Asylum Seekers: Work Rights

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled:

Whereas the 1998 Synod of the Anglican Diocese of Melbourne carried without dissent the following Motion:

That this Synod regrets the Government's adoption of procedures for certain people seeking political asylum in Australia which exclude them from all public income support while withholding permission to work, thereby creating a group of beggars dependent on the Churches and charities for food and the necessities of life;

and calls upon the Federal government to review such procedures immediately and remove all practices which are manifestly inhumane and in some cases in contravention of our national obligations as a signatory of the UN Covenant on Civil and Political Rights.

We, therefore, the individual, undersigned Members of the St Johns Chrysostom's Anglican Church, Brunswick West, Victoria 30551, petition the House of Representatives in support of the abovementioned Motion.

And we, as in duty bound will every pray.

by **Mr Kelvin Thomson** (from 19 citizens).

**Australian Broadcasting Corporation:
Independence and Funding**

To the Honourable the Speaker and the Members of the House of Representatives assembled in the Parliament:

The petition of certain citizens of Australia draws the attention of the House to:

(1) our strong support for our independent national public broadcaster, the Australian Broadcasting Corporation;

(2) the sustained political and financial pressures that the Howard Government has placed on the Australian Broadcasting Corporation (ABC), including:

(a) the 1996 and 1997 Budget cuts which reduced funding to the ABC by \$66 million per year; and

(b) its failure to fund the ABC's transition to digital broadcasting;

(3) our concern about recent decisions made by the ABC Board and senior management, including the Managing Director Jonathan Shier, which we believe may undermine the independence and high standards of the ABC including:

(a) the cut to funding for News and Current Affairs;

(b) the reduction of the ABC's in-house production capacity;

(c) the closure of the ABC TV Science Unit;

(d) the circumstances in which the decision was made not to renew the contract of *Media Watch* presenter Mr Paul Barry; and

(e) consideration of the Bales Report, which recommended the extension of the ABC's commercial activities in ways that may be inconsistent with the ABC Act and the Charter;

Your petitioners ask the House to:

(1) protect the independence of the ABC;

(2) ensure that the ABC receives adequate funding;

(3) call upon the Government to rule out its support for the privatisation of any part of the ABC, particularly JJJ, ABC On-line and the ABC Shops; and

(4) call upon the ABC Board and senior management to:

(a) fully consult with the people of Australia about the future of our ABC;

(b) address the crisis in confidence felt by both staff and the general community; and

(c) not approve any commercial activities inconsistent with the ABC Act and Charter.

by **Mr Martin Ferguson** (from 81 citizens),

by **Ms Hall** (from 7 citizens) and

by **Mr Allan Morris** (from 18 citizens).

Fuel Prices

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.

The petition of certain citizens of Australia draws to the attention of the House the extremely high price of petrol and other fuels and the increase in the amount of tax on fuel due to:

The Government's failure to keep its promise that the price of petrol and other fuels would not rise as a result of the new tax system, by reducing the excise by the full amount of the GST;

The fuel indexation increases on 1 August 2000 and 1 February 2001, which will be significantly higher than usual because of the inflationary impact of the GST; and

The charging of the GST on the fuel excise, making it a tax-on-a-tax.

Your petitioners therefore request the House to:

Hold the Government to its promise that its policies would not increase the price of petrol and other fuel;

Support a full Senate inquiry into the taxation and pricing of petrol;

Consider the best way to return the fuel tax wind-fall to Australian motorists.

by **Mr Martin Ferguson** (from 17 citizens) and

by **Ms Hall** (from 174 citizens).

Fuel Prices

To the Honourable the Speaker and Members of the House of Representatives assembled in the Parliament of Australia.

The petition of certain citizens of Australia draws to the attention of the House the extremely high price of petrol and other fuels and the increase in the amount of tax on fuel due to:

The Government's failure to keep its promise that the price of petrol and other fuels would not rise as a result of the new tax system, by reducing the excise by the full amount of the GST;

The charging of the GST on the fuel excise, making it a tax on a tax.

Your petitioners therefore ask the House to:

Rescind the indexed rise in the price of fuel, which took effect on February 2001;

Hold the Government to its promise that its policies would not increase the price of petrol and other fuel;

Support a full Senate inquiry into the taxation and pricing of petrol;

Consider the best way to return the fuel tax wind-fall to Australian motorists.

by **Mr Fitzgibbon** (from 15 citizens).

Goods and Services Tax: Pensioners

To the Honourable Speaker and Members of the House of Representatives assembled in Parliament.

The petition of certain electors of Australia draws the attention of the House to the unfairness and inadequacy of the GST compensation for elderly Australians, in particular:

the unfair rules of the Aged Persons Savings Bonus scheme which has failed to deliver on the Government's election promise of \$1,000 for each aged person over 60;

the misleading claim of a four per cent pension increase when in fact it is only a two per cent increase after taking into account Mr Howard's two per cent clawback;

the complete inadequacy of both the bonuses and pension increase to compensate for the double taxation of Australia's retirees.

Your petitioners condemn the Government's contempt for older Australians and request the Parliament explore ways in which the GST can be made fairer and simpler and compensation improved to protect the living standards of elderly Australians.

by **Mr Martin Ferguson** (from 37 citizens) and

by **Ms Hall** (from 17 citizens).

Health: Bulk-Billing

To the Honourable Speaker and Members of Parliament of the House of Representatives assembled in Parliament.

We the undersigned request that the Government take action to preserve bulkbilling and to strengthen the Medicare system.

The cessation of bulkbilling by many general practitioners as a direct result of government policy has caused great hardship to many local residents on low incomes particularly the elderly and those with young children.

Your petitioners request that the House of Representatives introduce legislation to ensure that bulkbilling is preserved and that our Medicare system is strengthened.

by **Mr Fitzgibbon** (from 62 citizens) and

by **Ms Hall** (from 932 citizens).

Fuel Prices

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.

The citizens of Australia draw to the attention of the House that the high cost of fuel is causing hardship and great concern to the general public.

Your petitioners therefore request the House that the fuel levy imposed on fuel be reviewed and reduced in the wake of rising fuel prices and the introduction of the Goods and Services Tax.

by **Mr Adams** (from 699 citizens).

Goods and Services Tax: Caravan Parks

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.

The petition of certain electors of the Division of Aston draws to the attention of the House their concern about the affect the Goods and Services Tax is having on site fees paid by residents of mobile homes and caravan parks. Most residents of such parks are pensioners on fixed incomes whose limited resources are strained by the imposition of this tax.

Your petitioners therefore ask the House to give consideration to exempting site fees from the GST or to making concessions that will alleviate the impact of any increases.

by **Mr Albanese** (from 63 citizens).

Australian Broadcasting Corporation: Independence and Funding

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:

This petition of the undersigned Orange community draws to the attention of the House its concern over the long-term decline in funding of the ABC and asks the House to call upon the Federal Government to support:

(i) the independence of the ABC Board;

(ii) the establishment of a joint parliamentary committee to oversee ABC Board appointments so that it is constructed as a multi-partisan Board, independent of the government of the day;

(iii) an immediate increase in funding allowing the ABC to operate independently of commercial pressures including advertising and sponsorship; and

(iv) the maintenance of its role as an independent regional broadcaster.

by **Mr Andren** (from 217 citizens).

**Australian Broadcasting Corporation:
Independence and Funding**

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:

This petition of the undersigned community members of the Central West Region of NSW draws to the attention of the House its concern over the long-term decline in funding of the ABC and asks the House to call upon the Federal Government to support:

(i) the immediate restoration of funding and staffing to 1996 levels;

(ii) the independent long-term funding of the ABC;

(iii) an ABC Board appointed by a Joint Parliamentary Committee independent of the government of the day; and

(iv) the development and expansion of the ABC as an independent regional broadcaster.

by **Mr Andren** (from 997 citizens).

Kirkpatrick, Private John Simpson

To the Honourable Speaker and Members of the House of Representatives assembled in Parliament.

We the undersigned request that John Simpson Kirkpatrick, of Simpson and the donkey fame, be awarded a Victoria Cross of Australia.

Under the Imperial Award system, the Victoria Cross was denied to Simpson as a result of some confusion in the original application. In 1915 John Monash (later General) recommended Simpson for the VC. In 1967 Lieutenant Casey who also witnessed Simpson's work (later Governor General, Lord Casey) together with Prime Minister Holt and the Chief of the General Staff, Major General Brand (also a witness) recommended him for the VC. This was also denied. The British Government claimed that a dangerous precedent would be set.

Your petitioners request that the House of Representatives do everything in their power to honour the integrity and wishes of these fine Australians and overturn the original decision not to award the VC to Simpson. Simpson is symbol of the self-sacrifice, mateship and all those values that Anzacs now stand for and Australians treasure. By honouring him, we honour them all.

by **Ms Hall** (from 24 citizens).

Medicare: Belmont Office

To the Honourable Speaker and Members of Parliament of the House of Representatives assembled in Parliament.

We the undersigned request that the government reopen Belmont Medicare Office as there is no Medicare office between Charlestown and Lake Haven and there has been a drastic decline in the numbers of general practitioners bulkbilling.

The closure of Belmont Medicare Office has caused great hardship to many local residents particularly the elderly and those with young children.

Your petitioners request that the House of Representatives do everything in their power to ensure that Belmont Medicare Office is reopened as a matter of urgency.

by **Ms Hall** (from 174 citizens).

Food Labelling

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.

The undersigned citizens and residents of Australia call on you to:

Label all Genetically Engineered foods that may be approved for sale;

Ensure pies contain meat and jam contains fruit;

Make food labels reflect the true nature of the contents;

Ensure that the Australia New Zealand Food Authority (ANZFA)—the food safety watchdog—is adequately resourced to protect our food.

And your petitioners, as in duty bound, will ever pray.

by **Ms Hall** (from 10 citizens).

Centrelink: Job Cuts

To the Honourable Speaker and Members of the House of Representatives assembled in Parliament.

The Petition of the undersigned shows we are opposed to the Government's funding cuts to

Centrelink, which will mean the loss of 5,000 Centrelink jobs.

This staff cut will mean increased waiting times, reduced access and reduced service levels for clients.

It will place more stress on an already understaffed and underfunded service.

It is an attack on our right to an efficient and accessible social security system.

Your petitioners request that the House of Representatives should stop the Centrelink staff cuts.

by **Ms Hall** (from 15 citizens).

Goods and Services Tax: Caravan Parks

To the Honourable Speaker and Members of Parliament of the House of Representatives assembled in Parliament.

We the undersigned request that the Government make all residential rentals GST free including rental on sites paid by residents of relocatable and mobile home villages or parks.

The GST on site fees unfairly discriminates against residents living in relocatable and mobile home villages or parks. The Government promised that no-one would pay GST on rent and this is an anomaly which allows village/park owners to charge GST on site fees.

Your petitioners request that the House of Representatives do everything in their power to make rental on sites GST free.

by **Ms Hall** (from 4 citizens).

Telstra: Privatisation

To the Honourable Speaker and Members of the House of Representatives assembled in Parliament.

These petitioners of the Division of Shortland and adjoining areas are deeply concerned at any plans to further privatise Telstra.

Further privatisation of Telstra will result in the loss of thousands more Telstra jobs, worsening services to regional and rural Australia, and the loss of up to \$1 billion a year for all Australians earned from Telstra profits.

We believe these profits, both now and in the future, should be set aside to secure improved educational opportunities for our children, increased research and development funds for our scientists and doctors, and more money for rural and regional Australia.

Your petitioners therefore respectfully request that the House reject any further sale of the Commonwealth's shares in Telstra and that the

annual profits from Telstra be used for the benefit of all Australians.

by **Ms Hall** (from 12 citizens).

Goods and Services Tax: Sanitary Products

To the Honourable Speaker and Members of the House of Representatives assembled in Parliament.

The petition of certain electors of Australia draws the attention of the House to the discriminatory nature of imposing a GST on women's sanitary products, particularly taxing tampons.

Tampons are currently exempt from tax and should continue to be exempt once the GST is implemented;

The use of tampons is not solely a hygiene issue but a health issue;

Taxing sanitary products discriminates against women, by limiting choice and making them pay for a necessary health product;

This demonstrates the discriminative nature of the GST which imposes a tax on necessities and places an unfair burden on people from lower socioeconomic backgrounds.

Your petitioners therefore request the House to amend the GST legislation to exempt all sanitary products particularly tampons from the GST net.

by **Ms Hall** (from 10 citizens).

Goods and Services Tax: Receipts

To the Honourable Speaker and Members of Parliament of the House of Representatives assembled in Parliament.

We the undersigned believe that the GST should be legally required to be shown as a separate item on all receipts.

We do not believe the GST should be allowed to become a hidden tax. Australian people have a right to know exactly what GST they are paying.

Your petitioners request that the House of Representatives do everything in their power to ensure the GST is shown on receipts.

by **Ms Hall** (from 17 citizens).

Compact Disc Prices

To the Honourable Speaker and Members of the House of Representatives assembled in Parliament.

This petition of certain citizens of Australia draws to the attention of the House the statement by the Prime Minister that prices of CD's under his parallel importation policy would fall by at least \$7.

We further draw the attention of the House to the fact that the Australian Competition and Consumer Commission has stated some consumers may now be paying about \$28 for CD's that prior to the Government's changes were about \$29—a difference of about \$1.

We believe as well that Australian record companies and artists are now threatened by cheap imports, with little or no benefit to the consumer. Your petitioners therefore respectfully request that the House condemn the government for failing to deliver its promise on CD prices.

by **Ms Hall** (from 14 citizens).

Wallsend After-Hours Medical Service

To the honourable the Speaker and Members of the House of Representatives assembled in Parliament.

The petition of certain electors of the Division of Charlton draws to the attention of the House that Wallsend Primary Care, the after hours bulk-billing service at Wallsend Hospital Campus will close in September 2000, because of lack of support from other general practitioners to assist and relieve at the practice.

Closure will place a large burden on emergency services at John Hunter and Mater Hospitals.

Your petitioners therefore ask the House to establish a Commonwealth sponsored after-hours medical service for the Wallsend community.

And your petitioners, as in duty bound, will ever pray.

by **Ms Hoare** (from 17 citizens).

Health: Diabetes Diagnostic Products

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.

This petition of certain citizens of Australia draws to the attention of the House the plan by the Howard Government to raise \$10 million by increasing the amount paid by diabetes patients for blood glucose test strips, syringes, insulin pen needles and urine strips.

The undersigned believe that this move would unfairly punish people, who as well as managing this disease, would be faced with higher prices for essential diagnostic items.

Your petitioners therefore respectfully request the House recognise the significant financial burden this heartless budget measure would place on people with diabetes and reject the proposal.

by **Mr Hollis** (from 598 citizens).

Economy: Standard of Living

To the Honourable Speaker and Members of the House of Representatives assembled in Parliament.

The petition of certain citizens of Australia draws to the attention of the House:

That the Australian community recognises that the right to an adequate standard of living is a basic human right of all people that Governments have a duty to promote, protect, respect and fulfil and not remove this right from anyone as a punitive measure. The right to an adequate standard of living includes food, clothing, housing, health care and education.

The community notes that it has been over 256 years since the Henderson Commission of Inquiry into Poverty. The citizens of Australia are still waiting for the Government to act upon some of the recommendations of that inquiry, including the establishment of an official Poverty Line measurement.

Your petitioners therefore ask the House to:

1. As an immediate step all pensions and benefits be brought up to at least 25 per cent of male total average weekly earnings as is the case for the single pension.

2. Establish a Royal Commission into poverty in Australia with the aim of developing measures to determine an adequate standard of living for all people and to make recommendations as to how poverty in Australia can be eradicated.

by **Mrs Hull** (from 15 citizens).

Bankstown Airport: Proposed Expansion

To the Honourable the Speaker and Members of the House of Representatives of Australia.

The petition of the residents of Bankstown/Liverpool and its environs brings to the attention of the House our desperate concern regarding the proposed expansion of Bankstown Airport.

The noise, traffic and pollution generated by such an expansion will not only be catastrophic to the residents, it will devastate the quality of our lives as well as the value of our properties.

The residents of Bankstown/Liverpool consider it vital that an Environmental Impact Study (EIS) be undertaken regarding any proposal to upgrade Bankstown Airport.

The undersigned petitioners request therefore that the House not proceed with the proposal to expand Bankstown Airport to permit regional air-

craft and/or 737 jet aircraft from operating in and out of that facility.

Your petitioners humbly pray that your Honourable House take action to stop the expansion of Bankstown Airport.

by **Mrs Irwin** (from 3,170 citizens).

Bankstown Airport: Proposed Expansion

To the Honourable the Speaker and Members of the House of Representatives of Australia.

The undersigned petitioners request therefore that the House not proceed with the proposal to expand Bankstown Airport to permit regional aircraft and/or 737 jet aircraft from operating in and out of that facility.

Your petitioners humbly pray that your Honourable House take action to stop the expansion of Bankstown Airport.

by **Mrs Irwin** (from 306 citizens).

Roads: F3 Freeway

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:

The petition of certain citizens of Australia draws to the attention of the House:

The continuing traffic congestion, extensive delays and accidents which occur regularly on the F3 Freeway, particularly between the Hawkesbury River and the Gosford interchange, resulting in excessive transport costs, loss of productivity and driver frustration.

Your petitioners therefore request the House to demand both the Commonwealth and NSW State Government take immediate action to widen the F3 Freeway.

by **Mr Lloyd** (from 328 citizens).

Banking: Branch Closures

To the Honourable the Speaker and Members of the House of Representatives assembled in the Parliament:

The petition of certain citizens of Australia draws to the attention of the House:

The closure of the Alexandra Hills Branch of the Commonwealth Bank of Australia at 5.00 p.m. on Friday, 20 April 2001;

That since 1996, over 1,500 bank branches have closed throughout Australia, reducing communities' access to financial services.

Your petitioners believe that by closing bank branches, banks are not meeting their social obligations to the community.

We therefore pray that the House will immediately implement a 'social charter' to ensure that banks properly recognise the needs of the community.

by **Mr Sciacca** (from 634 citizens).

Telecommunications: Mobile Phone Numbers

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:

The petition of a certain citizen of Australia draws to the attention of the House:

1 Cable & Wireless Optus Limited issued the mobile phone numbers 0411-111-112, 0411-111-113, 0411-111-114, 0411-111-115, 0411-111-116 and 0411-111-119 to me on 15 December 1993.

2. Cable and Wireless Optus Limited subsequently allocated, issued, transferred or used these numbers in a way inconsistent with the Telecommunications Numbering Plan 1997 that has caused me to be deprived of the continued use of these numbers.

3. The Australian Communications Authority has refused my request that they enforce the relevant laws that would restore my rights as a customer.

Your petitioner therefore prays that the House instruct the Australian Communications Authority to enforce the relevant laws that would restore my rights as a customer.

by **Mr Sciacca** (from 1 citizen).

Australia Post: Kingaroy

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:

The petition of certain electors of the Division of Wide Bay, draws to the attention of the House that:

1. The Australia Post outlet in the Kingaroy Shoppingworld Complex has been moved from near the main entrance to the extreme rear of the complex.

2. This action appears to have been motivated by a desire to augment passing traffic for the neighbouring Franklins supermarket.

3. The result has been great inconvenience to the general public and especially handicapped people who now have to traverse the whole depth of the complex to perform the most menial transaction, such as purchasing a single stamp.

Your petitioners therefore request the House to:

1. Take all steps to have the Australia Post outlet in the Kingaroy Shoppingworld Complex relocated to a more convenient location for the electors of the Division of Wide Bay.

2. Instruct the Minister to have all products and services available at the Kingaroy Shoppingworld outlet available also at the Australia Post Delivery Centre in Kingaroy St, Kingaroy.

3. Have dispensing machines for stamps and other minor items installed close to the entrance to the Kingaroy Shoppingworld Complex.

by **Mr Cameron Thompson** (from 678 citizens).

Australia Post: Winston Glades

To the Honourable Speaker and Members of the House of Representatives assembled in Parliament:

The petition of residents of the State of Queensland draws to the attention of the House the public need for an Australia Post Office to be located within the Winston Glades Shopping Centre.

Your petitioners therefore request the House to recognise the inadequate postal services within the suburbs of Flinders View, Churchill, Yamanto, the township of Ripley and its surrounds and address this matter with the issuing of a licence to operate an Australia Post, Post Office at Winston Glades Shopping Centre, the central focal point of our rapidly expanding region.

by **Mr Cameron Thompson** (from 141 citizens).

Administrative Appeals Tribunal: Abolition

To the Honourable Speaker and Members of the House of Representatives and Parliament assembled:

The petition of residents of the State of Victoria draws attention to the House concerns over the proposal to abolish the Administrative Appeals Tribunal to be replaced by the Administrative Review Tribunal.

This proposed legislation will disadvantage many workers and their families and is legislation solely designed to protect and look after the employer.

Your petitioners therefore request that the powers of the Administrative Appeals Tribunal as enshrined in the Safety Rehabilitation & Compensation Act 1988 be preserved and that the proposed changes to this Act be rejected.

by **Mr Kelvin Thomson** (from 68 citizens).

Petitions received.

LEAVE OF ABSENCE

Mr BEAZLEY (Brand—Leader of the Opposition) (4.18 p.m.)—I move:

That leave of absence for the remainder of the current period of sittings be given to Ms Gerick on the ground of ill health.

I am pleased to be able to say to the House very briefly that Jane is out of hospital. She is in chemo, but it is not a particularly severe version of it now. She is very confident that she will be able to return to her duties in August, and she is very grateful for the good wishes that have been sent to her from both sides of the House.

Mr HOWARD (Bennelong—Prime Minister) (4.19 a.m.)— I support the motion by the Leader of the Opposition. I am very pleased to hear that the member is recovering and responding well to the treatment. We all on this side of the House join the members of the Labor Party in wishing her well and hope to have her back soon.

Mr SPEAKER—I briefly endorse those sentiments.

Question resolved in the affirmative.

PRIVATE MEMBERS BUSINESS

Economy: Performance

Dr SOUTHCOTT (Boothby) (4.20 p.m.)—I move:

That this House:

(1) notes that amongst the OECD, Australia is ranked:

- (a) 3rd in information and communications technology expenditure as a percentage of GDP;
- (b) 3rd in secure servers for e-commerce
- (c) 3rd in internet multimedia content
- (d) 6th in personal computer ownership; and
- (e) 8th in total online population;

(2) notes Canberra has more adults accessing the internet than Washington; Darwin and Perth have more than Atlanta; Sydney, Melbourne and Hobart more than Los Angeles; and Brisbane and Adelaide are equal with New York;

- (3) notes our take up rates of cellular phones are amongst the highest in the world;
- (4) notes Australia's growth and increase in productivity during the 1990s exceeded that of the US;
- (5) notes the financial services sector is greater in size than the mining and agriculture sectors combined, as a percentage of GDP; and
- (6) rejects the view Australia represents an old economy.

Ms Julie Bishop—I second the motion and reserve my right to speak later.

Dr SOUTHCOTT—This motion is an attempt to highlight where Australia already is in terms of technology and our adoption of it and also to look at where we are as we consider the government's innovation statement and the opposition's knowledge nation. It is also an apt time to have a realistic debate on issues relating to technology and the benefits it provides the Australian economy. Over the last couple of years the debate has been a bit unrealistic and the enthusiasm for tech stocks had all the elements of a classic bubble. The lesson of the dot.com hoax is that attention to return on equity, return of investment, is crucial. It does not sell newspapers, it sends editors to sleep, but now that the bubble has burst it is evident that there are a couple of things we can say about the benefits technology provides the economy.

Only a year ago there was much debate about whether Australia was a new or old economy and how the Australian dollar was being sold due to a perception that Australia was an old economy. It was always an artificial distinction. The Prime Minister's insistence that it was not the production of technology but the use of it has actually been proven right by the turn of events. One year on, the NASDAQ crash, widespread tech wrecks, downsizing at Cisco and even domestic events like the collapse of One.Tel all demonstrate that the rules of gravity apply to all firms and, (1) that the underlying business case must still be made for technology companies, (2) that it is not the production of IT but the adoption of it which is important as a driver in the economy, (3) that Australia performs very well on most international benchmarks of IT usage and, (4) that Australia's

economic performance in the 1990s has been strong by comparison around the world and by comparison with Australia historically.

Michael Porter of the Harvard Business School recently said:

We need to move away from the rhetoric about 'Internet industries', 'e-business strategies' and a 'new economy' and see the Internet for what it is: an enabling technology—a powerful set of tools that can be used, wisely or unwisely, in almost any industry and as part of almost any strategy.

The Internet will be an important source of competitive advantage for firms who use it within their overall strategy. We do not recognise enough in Australia how well we measure up against other countries in a lot of key measures.

Thomas Friedman in his widely read book on globalisation, *The Lexus and the Olive Tree*, puts Australia together with the USA, Britain, Canada and parts of Israel, Italy, Singapore and India as countries in the premier league when measuring bandwidth or connectivity. A 1997 OECD survey showed that Australia was ranked third in terms of IT and communications expenditure as a percentage of GDP. Only New Zealand and Sweden were higher. This included expenditure on IT hardware, IT services and software and telecommunications. A 2000 OECD survey showed that Australia is third in secure web servers for electronic commerce per million inhabitants. Only Iceland and the United States were higher. In an estimate of business to business activity via the Internet, Australia is the largest outside the G7 in total dollars. The same OECD survey showed that Australia is third in the OECD in Internet multimedia content per million inhabitants—only the US and Sweden are higher. The latest OECD figures show that in 2000 49.9 per cent of Australian households owned a personal computer—only the Netherlands and Norway have registered higher rates.

The National Office of the Information Economy report in November 2000 showed that Australia is eighth in the OECD in total online population, with 41 per cent of the

total population accessing the Internet. Looking at student Internet access at school, we are seventh in the OECD, with 60 per cent online at school. While those figures show that non-metropolitan Australians older than 55, Australians with low income or Australians who are unemployed have lower rates, those rates are still quite impressive for personal computer ownership and connectivity. Also by looking at Nielsen ratings—comparing them with ABS data—we see that many Australian cities have higher levels of connectivity compared with comparable cities in the United States. Digital mobile phone connections were expected to exceed 50 per cent of the population by the end of 2000. That shows that Australia by most benchmarks performs very well compared with other countries around the world. We are really in the front rank on most of these indications.

It is also well recognised by the OECD and by other economies that Australia in the 1990s has performed well in terms of labour productivity, total productivity and economic growth. In fact, Australian growth and productivity during the 1990s has exceeded that of the United States. David Gruen and Glenn Stevens of the RBA have published a paper on Australia's macroeconomic performance in the 1990s which shows that from 1991 to 2000 GDP in the United States increased by 35 per cent compared with 40.5 per cent in Australia. Labour productivity in Australia in the nineties has increased by 2.9 per cent compared with 1.4 per cent in the 1980s. This is due to the productivity sapping effect of the accord in the 1980s and economic reforms, especially labour market reform and adoption of new technology, in the nineties. In fact, when we look at the last 35 years, labour productivity in Australia has usually been higher than the United States. That is due in part to the fact that the United States is a technology leader, whereas Australia can grow faster due to catch-up growth.

Analysis of the increase in productivity shows that our increase in productivity in the 1990s has been during the entire expansion of the nineties and is more broadly based across all sectors of the Australian econ-

omy—this is compared with the United States, where it has largely been concentrated in the production of computers and has largely occurred in the late 1990s. So our performance is good compared with Australia's historical performance and it is also good in international comparisons.

Point (5) of this motion should be re-phrased. The financial services sector has grown from \$21 billion in 1991 to \$36 billion in 1999. By comparison, mining growth is smaller—between \$18 billion and \$26 billion over the same period—and agriculture, forestry and fisheries have grown between \$11 billion and \$18 billion over the same period. So point (5) should actually say that financial services is separately bigger than mining and bigger than agriculture, forestry and fisheries. While it is certain that last year the financial markets were influenced by the false dichotomy of the old and new economy, only 3.9 per cent of the United States work force is employed in the ICT sector. The comparable figure for Australia is 2.6 per cent. So it does not make much sense to judge the US dollar on 3.9 per cent, just as it does not make sense to judge the Australian dollar on 2.6 per cent of the Australian economy.

The OECD report *Science, Technology and Industry Outlook 2000* maintains the importance of the knowledge based economy and notes that it continues to grow within the OECD. This year's innovation statement from the government is an important step in guiding investment in science, and the adoption of the recommendations of the 1999 Wills review will assist biotechnology in Australia. The recent changes allowing 175 per cent deductions for new R&D, as well as the capital gains tax changes and the encouragement of venture capital, are important elements of the framework for the knowledge based economy. The government's innovation statement contains all the elements that are needed to successfully foster these industries. Australian openness to new technologies has always been an important factor in our increasing productivity and our performance in economic growth.

In conclusion, new technologies will provide an important source of competitive advantage within a firm's overall strategy. Rather than turning the rules of commerce on their head, the Internet should be seen as a business enabler. Again to quote Michael Porter:

Internet technology provides better opportunities for companies to establish distinctive strategic positions than did previous generations of information technology. Gaining such a competition advantage does not require a radically new approach to business. It requires building on the proven principles of effective strategy. The Internet per se will rarely be a competitive advantage.

Australia performs extremely well in many international benchmarks on the use of ICT. The private sector have adopted this technology, taken it up and run with it. The performance of the Australian economy during the 1990s has been in the front rank of the OECD pack.

Ms GILLARD (Lalor) (4.30 p.m.)—In speaking to the motion moved by the member for Boothby, it is important that the House notes that the motion tells part but by no means all of the story about the Australian economy. In fact, the motion misses out three of the most important parts of the story: the real story about the role of information and communications technology in the Australian economy; the truth about productivity; and the way in which the GST has mugged the Australian economy. In addressing this motion, I intend to deal with each of these matters.

In relation to information and communications technology, the member for Boothby has relied on statistics collated in an OECD report entitled *OECD Information Technology Outlook*, and members heard him refer to that report during his contribution. Despite its being dated 2000, it should be noted that most of the statistics in that report are in fact from 1997. However, it is not the age of the statistics that is the key question. The real issue is the failure of the member for Boothby to detail the statistics which give the rest of the story. These statistics were helpfully collated by the Business Council of Australia in its report from February this

year dealing with e-business. That report concluded that employment in the information and communications technology sector, the ICT sector, in Australia is, at 2.9 per cent of the labour force, amongst the lowest in the OECD. One has to wonder, as the House sits this week, how low that figure will go in view of the recent spectacular failure of One.Tel. The BCA also concludes that the value which ICT adds to total business, at 4.1 per cent, is the lowest of the 18 countries where data is available. Also, it concludes that Australia's ICT exports are a tiny 4.4 per cent of total exports, with Australia being ahead of only New Zealand and Norway.

Perhaps more disturbing than coming second to New Zealand is the fact that these exports have shrunk by one-third in the last six years, leading to an increasingly negative technology trade balance. The report concludes that Australia is lagging in broadband infrastructure, with only one per cent of Australian households having purchased broadband Internet access, because it is too expensive. It says that the business expenditure on ICT research and development is only 4.9 per cent of the ICT value add, that growth in Australian patents is among the slowest in the world and that there is a chronic shortage of ICT skills, with half of Australia's ICT businesses forced to search for candidates overseas. This is the real picture—a picture of stagnation.

It is interesting indeed that the member for Boothby has chosen to refer to the penetration of cellular phones into the Australian community, because it is the clearest example of the problem Australia faces with ICT. We are among the world's highest users of mobile phones but we do not make them. We are not home to the prestige brands of Nokia, Ericsson and Motorola. This is the problem in stark relief: we are good users of technology but we are not innovators or manufacturers.

In its report, the BCA also concluded that, unlike the US, Australian productivity improvements are not driven by technology. Australian small enterprises, which represent half the nation's output, are dangerously be-

hind in ICT. This brings me to the second important issue dealt with in this motion, which requires a clear answer in this House—that is, the truth about productivity. The member for Boothby asserts that Australia's growth and increase in productivity during the 1990s exceeded that of the US. In a moment I will turn to a proper analysis of that phenomenon, but first let us look at the current Australian productivity story, and for that story let us look at what I am sure the member for Boothby would concede is a very good source—this government's budget papers.

In relation to forecasts for the Australian economy, in the budget we find a forecast for this financial year for growth in gross domestic product of two per cent and growth in employment of two per cent. You do not need a doctorate in economics to conclude quickly that, if there is going to be an extra two per cent of GDP achieved with an extra two per cent in employment, then productivity growth for this financial year equals a big fat zero. Endearingly, we find in the budget papers a statement headed 'A More Productive Australia—Policy and Technology'. You would think that this government would be embarrassed by a zero productivity result, but apparently not. But when we look at the details of this statement, we find that perhaps they are a little embarrassed because they certainly are nowhere near frank about the zero figure. Cutely, the statement says, 'Labour productivity growth has slowed somewhat in recent quarters.' Indeed, it has slowed—it has slowed to zero. One would have thought you would not use the word 'slowed' for a reduction to zero; you would use the word 'stopped'.

Against this backdrop, we are asked to believe that productivity growth in the next financial year will move from zero to 2¼ per cent, that figure being derived from a budget forecast of GDP growth of 3¼ per cent off employment growth of one per cent, necessarily implying productivity growth of 2¼ per cent. Why should we believe that? We all know that productivity growth is founded on skills and development investment, on innovation and on capital investment. When we

look at those things, we find that the budget did nothing for skills development and training and we are unlikely to see a bounce-back in capital investment, given the average annual growth in real private new capital expenditure in the last three years has been minus 5.1 per cent.

In relation to innovation, the member for Boothby referred to the much vaunted Backing Australia's Ability statement which the government made earlier this year. We should note that, of the promised \$2.9 billion, only \$159.4 million will be spent in the coming financial year. All the rest is to be spent in the out years. So there is to be no big spike in investment in innovation in the coming 12 months and no reason to assume that we shall see a growth in capital expenditure or in skills and development, given that the budget does not address those questions. That is the productivity story of the Howard government—productivity growth at a big fat zero.

Before leaving productivity, I would like to refer to the same Reserve Bank paper that the member for Boothby referred to, produced by David Gruen and Glen Stevens. I think we have to accurately ensure that their conclusions are before the House because they do compare the productivity growth of the United States with that of Australia, and they say:

There are two things that are strikingly different about the 1990s productivity pick-up in Australia compared to that in the US. The first is that the Australian pick-up occurs over the whole of the 1990s expansion rather than the past four years as in the US. The second is that the productivity pick-up appears much more broadly based across the sectors of the Australian economy than it is in the United States.

Then they go on:

The productivity accelerations in Australia and the US in the 1990s are therefore very different in kind. Australia produces very few computers, computer peripherals or telecommunications equipment. In contrast to the US therefore, productivity growth in Australia has been affected hardly at all by the very rapid productivity growth in the production of these goods.

We are in a very different circumstance from the US when it comes to being technology leaders. Unlike the members opposite, I am not content for Australia to be just a technology user and a technology follower.

Finally, let us turn to the way in which we know the GST has mugged the economy and its effect on ICT and the productivity story. The day the budget came out—the budget that told us about zero productivity growth—another very important document came out that tells us about the strength of the economy. That document is the Dun and Bradstreet review of small business bankruptcy and debt claims. It was reported in the *Australian Financial Review*. That report says:

The Dun and Bradstreet survey shows a 22.2 per cent rise in bankruptcies for the first quarter of the year compared with the previous three months ...

So we have seen a huge increase in bankruptcies. Then we see that the spokesperson for Dun and Bradstreet predicts:

We haven't seen the end of the bankruptcy increase, at least for the next few months.

There we have it. At a time when small business could have been gearing up to make better use of ICT, they have instead been struggling with the disaster which is the GST.

In conclusion, the member for Boothby's motion concludes that Australia is not an old economy. I do not think that the old economy new economy divide is a useful tool, but we can say that we are lagging in ICT, productivity is in crisis and the GST has mugged the economy. (*Time expired*)

Ms JULIE BISHOP (Curtin) (4.40 p.m.)—I do appreciate the opportunity to support the motion moved by the member for Boothby for it enables us to consider this question of old economy versus new economy, which admittedly received more air time in previous years, particularly during the dot.com boom of 1999. Then, proponents of the so-called new economy were quick to criticise the Australian economy as being old compared with, say, the United States, which was undoubtedly considered the world's leading new economy in the past five or so

years. They pointed to the exchange rate as evidence of our old economy status—or more particularly, the world equity market's view of Australia as an old economy—because, as the argument went, we did not have sufficient exposure to the new growth areas in the information and communications technology sector, we had a trade deficit in IT hardware and our proportion of IT stocks in our national share market capitalisation was low. It is about time we debunked some of these myths.

There was much gnashing of teeth that we did not have a new economy. We were waiting, much like the tramps in *Waiting for Godot*. As the *Economist* observed recently, the two tramps Estrogon and Vladimir hang around waiting for a mysterious character who never turns up. We just swap Godot for the new economy and swap the tramps for a bunch of pseudo new economy cheerleaders, and we have everyone standing around waiting to see whether the new economy is going to turn up.

What exactly was meant by the new economy? It seems that there are a number of definitions. It certainly involved the acquisition, processing, transformation and distribution of information, bringing an acceleration of technical change. The new part is the synergy between computers, software and communications. But it is the measure of our use of information technology, drawing the correlation to increased productivity, that allows us to ascertain if an economy is new or old. The passage of time has certainly debunked some of the myths about the new economy—certainly the myth that Australia is an old economy has unravelled.

The OECD statistics as set out in the terms of this motion were said to be old statistics by the member for Lalor, but she has not done her homework. The OECD figures in a later report, *The knowledge based economy: a set of facts and figures*, OECD, Paris, 2000, reiterated these statistics: they are in fact current. They indicate the willingness in this country to adopt and use new technologies, and that has been the key to improving productivity. It is not just the direct impact of

computers and the Internet on productivity that matters but, as we have seen in this country, it is also the ability of firms to organise their businesses more efficiently as a result.

As the Treasurer said in an address late last year to the Australian Business Economists' annual forecasting conference:

The value of ICT is to the extent that it reduces costs and increases output—to the extent that it increases productivity ...

Given our open competitive economy, an environment fostered by this government's strong fiscal policies, one that has captured and used new technologies, new improvements, new capacities and new productivity developments, we are a new economy, no matter how it is defined.

In the USA, the underlying source of the American economic miracle in the 1990s—post 1995—was widely believed to be not only the use of IT but also the production of computers and semiconductors. That was certainly the hypothesis of the member for Lalor. But analysts have suggested that, while the use of technology across industry sectors had accelerated productivity growth, virtually all the progress had been concentrated in the durable manufacturing sector with very little spillover to the rest of the US economy. In other words, outside the manufacture of computers, there had been no increase in labour productivity growth after adjusting for the effects of the economic cycle. That is the difference with the Australian economy. Thus, while the impact of the acceleration of technological change contributed to the outstanding performance of the US economy in the late 1990s, there were other significant factors that came into play. The adjustments in the stock market in recent times have caused at least a portion of the American economic miracle to unravel. May 2001 figures show that productivity in the US declined in the first quarter of 2001 at an annual rate of 0.1 per cent compared with growth of more than five per cent during the year to June 2000.

With the forecast strengthening of the Australian economy, with growth at around

3.25 per cent, we have passed the enduring test of what constitutes a new economy—the way that IT is used to improve the efficiency of all parts of the economy, including the old economy sectors. As the Treasurer noted last year, historically the biggest economic gains from a new technology have come not from its invention and production but from its exploitation.

Mr HORNE (Paterson) (4.45 p.m.)—I thank the member for Boothby for bringing this topic forward for debate in the House. Before I raise a few points on this matter, I would like to share with the member and this House an old saying of my grandmother: 'If you want to blow your own trumpet, make sure you have the right sheet of music in front of you.'

I have no doubt as to why the member for Boothby raised these matters in the House, and I hope he will not mind if I do not share his enthusiasm. It is not that I do not support technology changes, technology advances. But I do represent a regional seat. I represent a region where the whole point is that technology is not reaching us all. I notice in the member's motion he talks about Canberra, Darwin, Perth, Sydney, Melbourne, Hobart, Brisbane and Adelaide—hardly the whole of Australia. I would just like to point out to the member for Boothby that all of Australia want to be included, all of Australia want to be involved. It is certainly not happening. I have no doubt why the National Party members opposite did not put up their hands to participate in this debate.

This debate highlights the inequality of services to the people of Australia. That is one of the big debates that is going to occur in the coming election. We do not have services out there. I represent one of the electorates where whole communities do not have a cellular phone simply because they do not have a service. There is no point in owning a cellular phone, because you do not have access to a service. They have been told by Telstra and by the government that, if they want to put in an application, that community has to come up with \$10,000 to contribute before they get the service. The peo-

ple who reside in the areas that have been identified by the member for Boothby have the choice of two, three or even more services, whereas many people in rural and regional Australia do not even have one.

We talk about competition policy. People in many of the areas I represent cannot be competitive because they do not have access to the service. You can talk about the Internet, but many people do not have access to that either, because the server is so slow and costly. They cannot be competitive. What we are finding is that businesses in rural areas are simply not being competitive with their city cousins. It is one thing to talk about the old economy and the new economy. Why don't we talk about the responsible economy? That is what it should be. You can take the pride that Australia has evolved into the new economy. If you want to talk about the last three months, if that is representative of what a new economy is going to deliver to Australia, I would suggest that the new economy is going to deliver a number of headaches—with HIH, One.Tel and so on. We may talk about the losses that One.Tel produces for the big players. This is a government that prides itself on the new economy and the fact that so many people out there in the new economy in Australia are investors in shares. How often do we hear the Minister for Financial Services and Regulation get up here and remind this House and the people of Australia that we have the biggest percentage of shareholders of any economy in the world? I would suggest that the HIH fiasco and the One.Tel fiasco are not good news to small investors. It may simply be monopoly money to the Packer and Murdoch empires but to the people out there who have invested \$5,000 and \$10,000 because they thought that would be good for their retirement it is a disaster. They wanted to be independent retirees, but it puts them much further behind. That is quite tragic.

I would also like to mention growth. The honourable member quoted from Gruen and Stevens. The point is this. The growth in our economy in the nineties was mainly due to growth in wholesale trade, retail trade and

construction. They were the three factors that produced abnormally high growth. Are they sustainable? I think not. (*Time expired*)

Mr DEPUTY SPEAKER (Mr Jenkins)—Order! The time allotted for this debate has expired. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

PRIVATE MEMBERS BUSINESS

Australian Army: 100th Anniversary

Mrs GASH (Gilmore) (4.50 p.m.)—I move:

That this House:

- (1)recognises the 100th anniversary of the Australian Army;
- (2)celebrates not just the peaks of each wave of activity as the Australian Army entered into various frays, but also the times in between when our personnel were ever at the ready;
- (3)applauds not only those who joined the regular Army, but also those who volunteered or were conscripted at other times and who were prepared to do their duty for our great nation; and
- (4)remembers the efforts of the thousands or millions of spouses, partners, girlfriends, boyfriends and families of those who served with the Australian Army because they were the people who paid the most through the years so that we might retain our quality of life.

On 1 March 1901, just two months after Federation, the states transferred 1,700 regular and over 27,000 part-time and reserve troops to the Commonwealth. And so began the Army. Already, some of its troops who had left the country under state flags prior to Federation being declared were fighting in the Boer War. So Australia's tradition of assisting other countries far from home in battles that revolved around principles of freedom and democracy began with the formation of the Army. Much of the time following the creation of the Commonwealth forces was spent in structuring the force for the long term. This included establishing the Royal Military College to ensure a continuing supply of well-trained officers; establishing the Citizen Military Forces to ensure a continuing supply of Australian civilians who could be called upon in an emergency; establishing the Australian Flying Corps to

ensure that aviation support grew in a controlled fashion; and establishing a cadet scheme for young people to ensure a continuing supply of residents interested in joining the services.

Very soon after these steps were put in place, war was declared by our allies and Australia offered to help. After the Great War, Australia's identity and global reputation had been established. The men and women who came back from the war were heroes, applauded by their community and welcomed home. They also carried terrible sadness with them, great friendships and a horror of the carnage of war. They returned to their families utterly changed. Of course, many did not return.

We came out of this war with a modern, well-equipped army, a very promising air flying corps and the basis for a great navy. Unfortunately, as seems to have happened to our defence forces all too regularly, financial constraints on the then government led to enormous cutbacks in defence. And so began the tradition of our Army personnel making do with less by working harder and being smarter. While our forces do have a reputation for innovation and enterprise, often gained through 'making do', this is not the best way to routinely run a defence force.

In spite of the frustrations and disappointments, they carried on. Over the ensuing years and many governments later, the Australian Army has performed with great credit in different arenas of conflict in the world. With each crisis or request for assistance, Australian men and women heeded the call and volunteered or agreed to do their duty. It was rare that they were fully funded, prepared and supplied when emergencies did arise, and the Australian Army, because of its excellent reputation and networks, could work with our community and other countries' forces to fill the gaps. Our troops made light of it in the field, using their renowned humour to cope with the lack of resources.

Several governments tried to make sure that our defence forces were well provisioned in terms of well-structured lines of supply for modern equipment and well-

trained personnel. They went about, banging drums and talking up the effort. Many in the forces raised their hopes and expectations, while others who had seen it before got more cynical. It seemed as though every attempt to raise the standard of funding and support for our defence forces was immediately followed by some kind of financial struggle for the country. This kept meaning that our defence forces missed out: their budgets, only recently concocted and agreed, were severely trimmed or slashed.

Men and women who joined the Army and signed long-term contracts to give the best years of their lives to the service of our nation had their conditions eaten away. Rather like the building industry, we would see cycles of boom and bust, where one minister would order up big on equipment but leave nothing for maintenance or gradual upgrade and replacement. It was very frustrating being in any of the forces; yet this is where I believe the Anzac spirit really showed through. Our Army, in between conflicts and in spite of community indifference at best, or opposition at worst, and in spite of severe shortages of staff and resources, kept the fires burning. Each time when we needed to take them from the cupboard, so to speak, and dust them off and send them out to represent us—in all our instant national pride—they did the job and did it well. Each time they would be given great welcomes home and then be promptly forgotten, like yesterday's news, until the next anniversary—when celebrations demanded that they turn out again. And, of course, those returning from Vietnam did not even get that recognition; they got abuse. And their families bore the pain.

The Army represented us well, because its people kept on keeping on, regardless of the odds and regardless of the lack of recognition or support. Mr Deputy Speaker, you can imagine that when you train your whole life for something and a real opportunity to put that training into practice does not eventuate for several years—and thank God it does not—it must be difficult to maintain the focus. The men and women of our Australian Army have done this, year in and year out.

Aside from our regular troops, the reservists and other volunteers have also kept the faith and kept training. Many, doing what they saw as the right thing for their country, either volunteered or agreed when conscripted to assist the Army in its work. With whirlwind training and induction, these men and women too served us proudly, to great effect.

With the community consultations surrounding our recent Defence white paper, the degree of public support is significant. Much of this has been brought about by the efforts of our army in peacemaking or peacekeeping missions to neighbouring countries and to others further away. Especially with East Timor there has been an opportunity for ordinary Australians to view the work of our Army, Navy and Air Force personnel and be mightily proud of them. Even any people who previously saw our defence forces as 'boys with toys' now agree they have an important role to play in our region and in other developing or troubled countries of the world.

As a result of this widespread community support, and the good economic management of this government, we have developed a plan. This plan is to make sure that our defence forces get what they need, as they need it—with all the training and support that is appropriate. A major part of this plan is to ensure that it works financially, no matter what. No longer can we afford to continually disappoint our service men and women. If our youngest, strongest and brightest are going to sign up to serve their country for several years, they need to know that their conditions include the best training and support that we can give them. They need to know that there will be secure positions for them and that they will be properly prepared to meet the challenges along the way. We need to build on our nation's pride in its Army and we want people to aspire to joining the Army as a career. I will not be here to see it but I expect the Australian Army will still be at the forefront of our nation's international contributions in another 100 years.

There is a group of people whom the public and government often forget in all of this.

This group is the friends, partners and families of our service men and women. During each conflict where we send our troops off to represent us, they alone sit and wait to hear of their loved ones' continued health. They alone wait and worry, and carry the weight of the normal lives of our service personnel while they are away. They do without mum or dad at birthdays and school speech nights. They carry out the role of both parents because the other is not there. They wait to hear that their son or daughter is alive and well and coming home. They carry a different, and sometimes tougher, load. During times of peace, they are the sounding boards for the frustration of service life. They are not paid as services personnel but they are part of the service community.

As part of our plan to reinvigorate our defence forces and put their standing back where it belongs, we are encouraging more of our best to try the services as cadets. In one of the last Labor squeezes, Gough Whitlam abolished school cadets and withdrew ADF support for them outside of school. An announcement yesterday by my colleague the member for Bradfield and Parliamentary Secretary to the Minister for Defence re-established funding for the Australian Service Cadet Scheme to the tune of \$30 million per year, commencing in four weeks time, and will ensure high-level training, uniforms, proper equipment, and access to military personnel.

In Gilmore we have a large Navy defence base, HMAS *Albatross*, but we are also very proud of our Army parachute training school. They are wonderful, fit, motivated, intelligent, positive people who make a real contribution to the Shoalhaven community. In so many ways we are working to ensure that the Army will be there in another 100 years and that we Australians will still be very proud of them.

Mr Cameron Thompson—I second the motion and reserve my right to speak.

Mr EDWARDS (Cowan) (5.00 p.m.)—I am happy to speak to this motion on the 100th anniversary of the Australian Army

and I would like to put it into context by quoting a poem entitled 'A Soldier':

I was that which others did not want to be.

I went where others feared to go.

And did what others failed to do.

I asked nothing from those who gave nothing.

And, reluctantly, accepted the thought of eternal loneliness—should I fail.

I have seen the face of terror, felt the stinging cold of fear, and enjoyed the sweet taste of a moment's love.

I have cried, pained and hoped.

But, most of all, I have lived times others would say were best forgotten.

At least some day I will be able to say that I was proud of what I was—a soldier.

That is a poem written by a fellow by the name of George Skypeck. I picked it up on the web page put together by Ern Marshall from Sunraysia. He put this web site together because, he said, of the lack of information about the Australian involvement in Vietnam and for the benefit of all veterans, and maybe for the education of some of the younger generation. It is interesting, talking about the younger generation, to recall another quote, from a very famous person, George Washington. He said this:

The willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional as to how they perceive the veterans of earlier wars were treated and appreciated by their nation.

That is a quote that features on the web page of the TPI veterans—a very good web page with a lot of very interesting information.

In speaking to this motion, I want to bring it down to what it is about—our Army. We talk about our Army and we talk about the men and the women who serve, and who have served over 100 years, in our Army. The Australian Army is, in relative terms, a young army, just as we are a young nation. And as we are a young nation with a great love for freedom we should always remember the price that so many soldiers, so many men and women, have paid for the freedom that we enjoy in this nation.

I guess it would be remiss of me, in talking to this motion, if I did not mention my own unit, the 7th Battalion, which was formed in Puckapunyal, Victoria, on 1 December 1965. This battalion subsequently served twice in Phuouc Tuy Province in South Vietnam. The first tour was in 1967 and the second in 1970. Both tours lasted approximately 12 months and, during that time, the 7th Battalion, Royal Australian Regiment, was deployed on 48 operations. This battalion has very proudly as its mascot a pig—and a great pig it is!

As I am talking about 5/7 Battalion I will also say that the current RSM of the Army, Brian Boughton, is a former 7RAR man. I served in Vietnam at the same time as he did. I know that every member of the 7th Battalion is very proud of the RSM the Army has at the moment, because he is indeed a good digger and a man who holds some very high standards about heritage, courage, humour, fitness and professionalism. These are the qualities that the Australian Army has had in times of war and peace over 100 years, and these are standards that must be maintained. What is good about the Australian Army is the character of the men and the women who serve in the Australian Army. The decisions that we make here are merely decisions in support of that character.

I only want to speak for five minutes because my colleague wants to say a bit more than I do. I think we should look with pride over the 100 years of our Army—not just at the men and women who went away, but, as the mover of the motion has said, at the strengths, the succour, the support and the encouragement that they got from their loved ones at home. When a soldier is away, the person who feels it most is the mother, the father, the husband or the wife, and they are the people who have been an immense strength to our soldiers over 100 years. I support this motion.

Mr CAMERON THOMPSON (Blair) (5.06 p.m.)—Listening to the member for Cowan and to the member for Gilmore, I am reminded that I am one of the great beneficiaries of all the efforts that have been put in

by the Army and other members of the Australian defence forces over the years. This is a good opportunity for me to say thank you for that and to thank you also on behalf of my whole electorate of Blair. There have been great achievements of the Army in its 100-year history. I am one who has benefited and I feel very humbled by being able to speak on this motion and give credit to the Army for its achievements.

During the East Timor deployment, I went to the RAAF base at Amberley where people were receiving news at Christmas time of their loved ones in East Timor. The point that the member for Cowan was just making was well and truly etched on the faces of the ladies and the children who were there—there was no doubt it was a very demanding time for them. When they were being reminded like that of their loved ones at Christmas time, you could see just how deeply they were concerned and were hoping for all the best for their loved ones abroad. I am reminded, by an article in the *Australian* on 9 March, that:

The Australian Army, 100 years old last week, fought in six wars in its first seven decades, but in the next three fought in none at all. Instead of wars, the army has increasingly been called to take part in peacekeeping and peace enforcement operations, still dangerous, but with a much less intensive tempo.

That is the kind of critique that a newspaper writer might make about the position facing the Army today, but no doubt the difficulty that the Army faces today is in planning for the future in a world that is far less certain than it was. Going back through the history of it all, one of the other items I found said:

For the Australian Army, the withdrawal from Vietnam represented the end of 33 years of continuous operational duties, which had commenced with World War II, continued through the occupation of Japan, the Korean War, the Malayan Emergency and the Indonesian Confrontation to the Second Indo-China War in Vietnam.

So pretty much for 33 years there was a full-on direction right before the Army that it had to confront. Now it is in a difficult position where it is changing direction, and that cre-

ates uncertainty for the troops and some need of reassurance. I am very pleased with the way that the government has responded. By being there and by giving some clear directions, we have been able to provide some certainty for those people.

We look with confidence to the future defence of our nation. As a result of the government's white paper we have seen a change: there will be six battalion groups, each of around 1,000 personnel, which will be held at no more than 90 days notice to move and at most 30 days. The 3rd Brigade, based in Townsville, will continue to provide light air-mobile forces available for immediate deployment; the 1st Brigade, based in Darwin, will provide light mechanised and light armoured forces; and the 7th Brigade, based in Brisbane, will provide a motorised formation comprising both full-time and reserve units. Task forces for particular contingencies would accordingly be assembled from these ready forces to meet the specific needs of each operation. Under the new plan, the operations of the Army will also include a Special Operations Group, which will include the current SAS Regiment, a high readiness commando battalion and a reserve or part-time commando battalion. That planning has been received well by, and has provided something of a boost to, the troops that I run across in my duties.

The 100th anniversary of the Australian Army is a great opportunity to reflect on its achievements. Whether you are looking back at World War II, the Kokoda Trail, Gallipoli and the forming of the Australian spirit at Anzac Cove and those sorts of issues or whether you are looking into the future, I am sure that the Australian Army is going to continue to do this country proud. Its members are tremendously well accomplished and have great resources and great capacity. (*Time expired*)

Mr PRICE (Chifley) (5.11 p.m.)—Mr Deputy Speaker Adams, I think you may understand why I have not contributed to this debate a little earlier, but I must say that I am very pleased to. I would like to congratulate the honourable member for Gilmore in put-

ting forward this motion. It is a fact that she takes a great deal of interest not only in the defence facility located in her electorate but in defence matters generally.

I wish I could bring to this debate the experience of my friend and colleague the honourable member for Cowan, but I cannot. But what I can say is that I am a great fan of the Australian Army. I think I am the only member of this parliament to have seen the Army in operations in Somalia, Rwanda, Bougainville and also East Timor. It is a matter of deep regret to me that I missed out on an opportunity to see them in Cambodia. Whilst this motion reflects well on every member of the Army, others too from the ADF serve this country exceedingly well.

I will always remember that in Somalia, everywhere we went, the elders pleaded with us for the Australians to stay longer than was their scheduled period of service. They were spoken of so highly not only for the things that they were trained to do but indeed for the things that they were not trained to do—that is for setting up a justice system and for getting the police area of operations functioning. Rwanda was no different. I am pleased to say that I shared a bed there with former Speaker Halverson, and it was an experience quite different from Somalia that I will never forget. Bougainville had its challenges, and of course East Timor, our most recent deployment, was something again very different. They do us proud.

When we talk about our Australian democracy, people who volunteer to serve either in the full-time Army or the reserves are the pillars of this democracy. They do not get a vote as to whether or not they should be deployed. There is no committee system. They are people who are pledged to uphold the will of this parliament without question. Over the years they have done it, and they have done it in a distinctive way, in a very Australian way. In fact, if we want to talk about the Australian character, we cannot really do that without talking about Gallipoli and without talking about the Anzac spirit. They make exceptional soldiers. Again, there was a stark comparison with the Americans

in Somalia. The Americans are great nine to five soldiers. They are very reliant on the equipment that they have. Australians, on the other hand, probably do not have equipment as good as the Americans but they are 24-hour-a-day soldiers. They do their soldiering and they take command of the area in which they serve.

As we have cut back our Defence Force numbers, so it is that we have become increasingly dependent on the community. As other speakers have said, and I agree with this, our army enjoys widespread community support. That support is rooted in what veterans have done over the years, whether it has been in the Boer War, which strictly speaking is not recognised in this motion, or in World War I, World War II or the emergencies in Malaysia, Vietnam and some of the other countries that I have mentioned. The Army is dependent on the support of all Australians. I feel very sorry for the veterans of Vietnam, who were given no choice about whether they should or should not go, because that is the nature of service, and were not recognised. (*Extension of time granted*) I thank the House, in particular the Minister for Veterans' Affairs, who is at the table. Those veterans were not given the homecoming that they deserved. As soldiers they performed exceptionally well in Vietnam, and I think it reflects on all of us that that recognition took so long in coming, but I am pleased to say that it did come.

I think the minister at the table would be the first to concede that I rarely flatter him, but I do want to pass on my sincere appreciation for the access that I have had to the current TV series on the ABC about 100 years of Australians at war. I would commend it to every honourable member: it is an excellent series. I appreciated very much the series on the American Civil War. This of course is more current and I think is even better than the American series, although I must confess I have not seen the last episode. So we really do need to rejoice in the service that has been provided by so many over 100 years. As other speakers have said, there are always spouses or girlfriends or boyfriends involved—there are always families in-

volved—and those Defence people could not do the job that we ask of them without their families' support.

In the remaining time available to me I want to mention a passion of mine, the current situation of our Australian reserves. In that 100 years we have a greater history of citizen military forces than of regular army personnel. The white paper made a very significant change in the role of the reserves: that they would no longer be an expansion force for the regular Army. Everyone concedes that in East Timor they were used as slots to fill places in the regular Army. I think it is a great pity that the minister at the table cannot stand up in this parliament and tell us what the role of the reserves will be. Having spoken to a number of reserve units and a number of state branches of the Australian Defence Force Reserves Association, I can say that their bottom line is that they want to be deployed in formed units. That means that they have to have the equipment, the manpower and the investment to be able to meet the requirements to be sent in formed units.

The problem with slot theory is that, unless they are prepared to take a reduction in rank, the only people that are being utilised are the privates; NCOs and officers are not being utilised. I can say that the reserves association and the reserves are prepared to contemplate quite radical change, and radical change is required because, after all, there is an establishment of something like 27,000 and only 16,000 fronting up and we will have to go beyond those numbers. But it is pointless having a reserve unless we can have formed units. I know that in exercise Tandem Thrust a new role has been tested for part of the Townsville reserve unit, but it is a lesser role than that of the regulars; it is one of protection—a higher readiness required and more training but no extra money. If that is going to be the role of the Army reserve, we cannot have all the reservists in a protection role. I think it is important that the minister at the table stand up and give, as soon as possible, a clear and definite explanation—an outline—of exactly what the role of the Australian Army reservists is to be. That

aside, this is a strongly supported bipartisan motion. I know that many Labor members on the Defence Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade would have wished to participate in the debate and associate themselves with this motion. I congratulate the honourable member for Gilmore for bringing this very worthwhile motion before the House. I am sure that, if everyone had the opportunity to speak, it would be unanimously adopted.

Mr DEPUTY SPEAKER (Hon. D.G.H. Adams)—Order! The time allocated for this debate has now expired. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

ASSENT TO BILLS

Messages from the Governor-General reported informing the House of assent to the following bills:

Compensation (Japanese Internment) Bill 2001

Family and Community Services and Veterans' Affairs Legislation Amendment (Further Assistance for Older Australians) Bill 2001

Family and Community Services Legislation Amendment (One-off Payment to the Aged) Bill 2001

Taxation Laws Amendment (Changes for Senior Australians) Bill 2001

GRIEVANCE DEBATE

Question proposed:

That grievances be noted.

Health: HIV-AIDS

Ms MACKLIN (Jagajaga) (5.22 p.m.)—Last Friday Nkosi Johnson died peacefully in his sleep aged only 12 years. Nkosi was born with HIV, and in the words of Nelson Mandela:

... his life and example spur us on to be strong, resilient and vigorous in our fight against this dreaded infection. ... He has earned the right to be accorded all honour, dignity and respect.

Nkosi Johnson ignited compassion within us all when last July, at the opening of the 13th international AIDS conference in Durban, he drew attention to the impact of the disease on children. In his speech, he urged the South

African government to begin providing HIV-positive pregnant women with drugs to reduce the risk of transmission of the virus during childbirth. More than 70,000 babies will be born HIV positive this year in South Africa, babies like Nkosi was. He was a powerful force in the struggle against AIDS, and we mourn his death—especially as tomorrow marks 20 years since HIV-AIDS was first identified in a two-page article published in a little-known US medical journal.

The 20th anniversary is an appropriate time to consider Australia's response and to identify the challenges that still confront us. In 1981, the world had no notion of the disease that had been growing unknown and unchecked for decades. It is an indictment of the world's medical system that, despite the millions already infected in Africa, nobody realised the disease existed until it was discovered in Los Angeles and New York. When the public reaction finally came, it came with a vengeance. The world went at once from ignorance to panic—two states which, in the case of infectious disease, tend to be closely related. From the extreme right came calls for gay-free zones, for antidiscrimination legislation to be repealed, for homosexuality to be made once more a crime.

But there was another response—one which was much quieter, more considered and far more reasonable. To Australia's credit, both sides of parliament rejected the temptation to pursue, in the tragedy of the AIDS crisis, partisan political conflict and advantage. With very few exceptions, Australia chose the civilised course. Australia's Labor health minister throughout most of the 1980s, Neal Blewett, deserves the credit for Australia's success. As Minister for Health, Neal Blewett put in place the enlightened and continuing partnership between governments, doctors, scientists and the affected communities that underpins Australia's approach. Through his leadership and with cross-party support, the Australian government was able to fund safe-sex programs which talked explicitly, as they had to, about homosexuality. Without this united approach,

it would have been impossible to fund the network of needle and syringe exchange programs that have led the world and that have, to a substantial extent, kept AIDS out of the drug using population. Today, antiviral drugs supplied through the Pharmaceutical Benefits Scheme have also slashed the death rate to a fraction of what it was.

Twenty years after the epidemic was first documented, and 17 years after our own first AIDS death, it is easy to get the notion that in Australia this is a battle won, that our policy has worked once and for all and that AIDS is all but over. But it is not. Just as we must acknowledge our achievements, we must be forthright about those areas where our response has fallen short. Rates of unprotected sex are on the rise. One of our most eminent HIV social researchers, Professor Sue Kippax, estimates that the rate of unprotected sex has doubled in the last five years. This should worry us all. There is, as yet, no clear evidence that this rise is translating on a national basis into new infections. The researchers explain that people appear to be adopting various strategies which may, or may not, minimise the risk of transmission. But if this trend continues it is inevitable that the infection rate will begin to rise again.

The challenge facing the prevention effort today is greater than it has ever been. Many feel that, after more than a decade and a half, the safe-sex message is showing signs of wear, that the target audience is no longer listening quite so hard. HIV educators in Australia's community based organisations know that not only do they have to continually reinvent their message to keep it fresh and relevant to their communities but also they have to deal with a sense within governments that the threat is now over and that the kind of courageous honesty which could be supported in the early 1980s is a bit too challenging now. Labor will continue to support responsible community based education, because we know that the principles which underpinned Australia's success were exactly those. We also know the horrendous implications of seeing that unravel.

As we mark what has become the de facto birthday of the AIDS epidemic, let us dwell on some of the figures and reflect for a moment on the appalling hurt and loss that these figures represent. In Australia by the end of September last year 5,946 deaths from AIDS had been reported. By now, that figure will almost certainly be over 6,000. Another 12,000 are estimated to be living with HIV infection. By the end of 1999, there were 1.3 million people living with HIV in Central and South America, 5½ million in South and South-East Asia, 24½ million in Sub-Saharan Africa; and, worldwide, 34 million people. By the end of 1999, almost 19 million people had already died—5½ million of them in that year alone.

Against the terrible calamity of global AIDS, Australia's epidemic may appear, by comparison, a small affair—though, of course, it has not seemed that way to those who have died or those who live with it. But, if that contrast reminds us that Australia is a pretty good place to live, it also should serve as a trumpet call that we must not, in all human decency, forget those other inhabitants of our world who cannot possibly fight such a dreadful battle on their own. In particular, Australia has a responsibility to assist our nearest neighbour, Papua New Guinea, to respond to this epidemic. Over seven per cent of people attending the Port Moresby Hospital's STD clinic are HIV positive, and for some years AIDS has been the leading cause of death in that hospital's medical ward. Twenty per cent of sex workers have the virus. The Fly River region immediately to the north of the Torres Strait has been hard hit. Nobody who has stood, as I have, on the northern beach of Saibai Island and looked across the narrow stretch of sea to the Papuan coast can fail to recognise the extraordinary risk to Australia's Aboriginal and Torres Strait Islander people. We have a legitimate self-interest in helping our closest neighbour.

Just this year the Labor opposition urged pharmaceutical companies to drop litigation against South Africa and to allow developing countries to produce or import affordable medicines to fight serious diseases such as HIV-AIDS. We were concerned that 39 in-

ternational pharmaceutical companies were taking legal action to defeat the Medicines and Related Substances Control Act passed by the South African parliament in 1997. That act provides a framework for South Africa to legally import or manufacture vital AIDS drugs at prices far below those which the pharmaceutical companies were prepared to sell them for. Countries like South Africa and Papua New Guinea need medicines to fight HIV-AIDS, and they are simply unable to pay the \$10,000 per person per year cost that is charged in the developed world. The Australian Labor Party certainly believes that developed countries should not be preventing the importation or production of these drugs by developing countries because of an argument over intellectual property rights.

With tens of thousands of people facing death, another approach must be found. We believe Australia should support the intended flexible interpretation of the World Trade Organisation agreement on trade related aspects of intellectual property rights—TRIPS. The TRIPS agreement specifically allows for countries to take action in the case of a national emergency, and few would argue that the HIV-AIDS crisis does not fit into that category.

All over the world, the response to AIDS has to continue. The story of the ongoing battle between the impulses of fear, repression and neglect against care, compassion and action will also continue. Tomorrow when we mark the 20th anniversary of the AIDS virus, let us remember the spirit of Nkosi Johnson and the millions of other victims of the AIDS virus and let us renew Australia's commitment to care, compassion and action.

Politics and Politicians

Mr CHARLES (La Trobe) (5.32 p.m.)—I rise in this grievance debate to say that I deplore the national negativity towards politicians and politics that is discouraging our youth from studying and participating in political activity—action which has crept into our national psyche. It is clear that 'kick the polly' has become a national sport. Some 32 years ago when I came to Australia perma-

nently, I think—and I have no data to absolutely prove it—the political paradigm went something like this: 40 per cent of the population supported the Liberal Party, the Country Party or a combination thereof, 40 per cent of the people supported the Australian Labor Party and about 20 per cent of the people made up their minds during an election campaign or before an election campaign and decided the outcome of elections. People were wedded to a party and to a political philosophy. I admit that that was a world which was a bit slower than our world today.

One of the things that really excited me about moving to Australia and becoming, of choice, an Australian was the fact that the family was the centre of the world, the centre of our Australian universe. It was everything. The family worked together or participated in work activities together, participated in sport together and went to school and participated in the school environment together. All the entertainment and playtime was organised around the family and groups of families. As I said, it was a quieter, nicer time. But we have gone through, as have the rest of the world, some very substantial changes. In a sense, those times seemed more to be times of certainty than times of question and change. We seemed to have a better idea of what life was going to be like tomorrow and the day after than we do today. So that political paradigm, unfortunately, has disappeared into the sunset, like some American western movie star at the end of a film.

Today—and again I have no absolute data to prove my contentions but it seems like it to me, anecdotally at least in my electorate and electorates surrounding me—you could say that probably 30 per cent of the population is wedded to the Liberal Party or the National Party and 30 per cent of the population is wedded to the Australian Labor Party. That leaves 40 per cent who are not wedded to anyone and therefore able to make up their minds prior to or during an election campaign about exactly what it is they support—what they want to see come out of this place where we are representatives of the

people. Those who were welded on are flaking off—and rapidly.

Tribalism is dying, and I suspect that as time goes on it will further erode. The political and ideological divide between, on the one hand, Liberal conservatives and, on the other hand, Labor progressives, the right of centre versus the left of centre, has been and continues to be narrowed. If you just look generally—and I am not talking about the day to day argy bargy of this policy, that policy or another policy but generally speaking—there are very few irrational economists in this House of Representatives. In industrial relations, even, the Australian Labor Party is dominated to an extent by the trade unions and the trade union movement. It is not so dominating of the Liberal Party. Nonetheless, none of us wants to go back to the centrally controlled system where someone decides what everyone in the country is paid every few months. Remember the old national wage cases. Can you imagine how many national wage cases we would have today? I cannot. We talk about catch-up wages for those who are low paid who do not have as much opportunity to go out and negotiate with their employers as do others, and that is highly appropriate, but I cannot imagine us talking about another national wage case. So the divide is narrowing.

At the same time we seem to have reached a point where the public is disengaging with us, and we wind up not as victims but as a class of people who no longer seem to be as respected as we were 100 years ago, when our Constitution came into effect. I remind you that people went to the polls and voted for that Constitution, and they were pretty excited about Federation. It dominated that time in our past. In 1901 it dominated the public and private debate.

Politicians are no longer as valued as they were in those times. That is not all our fault but partially our fault. There have been, as we all know, issues of politicians with snouts in the trough, and none of us here supports that. In fact, I would say that every single person who comes into this place does so not for personal gain but to try to do some

good—some good for the community that they represent and for the nation of which they are so very much a part. But along the way a few have made mistakes. We are having a debate at the moment about the superannuation that parliamentarians have. That debate should and will continue, and I hope that we can reach a resolution that will make people think more, rather than less, of their political representatives.

One of the challenges for us is to try to reinvent a sense of community. If we could reinvent a sense of community, perhaps we would find that people had more faith in the political class, in their representatives in both the House and the Senate. One of the things that make it very difficult for communities is regional shopping centres. I have spoken before on this and said that there is no greater deterrent to sense of community and community activity than the impersonalisation of regional shopping centres—convenient they might be, but community oriented they are not.

The community—at least my community—is saying: ‘Perhaps we have had too much change. We would like to slow down a bit. We are frightened of constant change. We want a rest.’ The problem is, with the world moving as fast as it is and communications expanding at the rate that they are, if we slow down and we stop changing as the rest of the world changes, we are going to get run over in the rush. We will lose our standard of living, we will lose our place in the world, we will lose the advantages that we have as one of the world’s great democracies. The rich-poor divide is hurting the community’s perception of politicians. In a sense too we are producing a ‘gimme’ society.

It behoves all of us in this place and the journalists who report on what we do to become more positive in our attitudes, more positive in our outlooks and for the journalists to just once, for a change, report some of the positives and the cooperation that occurs in this national parliament, so that we can encourage our young people to go and study history, to become part of it themselves, to

actively participate in the political debate and in the political process, because they are our future and without them we will be nothing. (*Time expired*)

Hobart: Australian Antarctic Base

Mr SIDEBOTTOM (Braddon) (5.42 p.m.)—I commend the comments of the member for La Trobe. I would like to take this opportunity—and I am sure you, Mr Deputy Speaker Adams, as the very active member for Lyons, will join with me and with my other Tasmanian colleagues in this—to reinforce and advance the case by the Tasmanian government, presented to the Australian Antarctic Division, to secure Hobart as the Australian base for regular flights to the Antarctic. The Antarctic industry is worth around \$93 million a year to Tasmania. Tasmanians have invested a great deal in infrastructure, expertise, experience and support for research into and of the Antarctic and of course the Southern Ocean.

Hobart is the current focus of Australia’s Antarctic program. There has been a conscious effort and considerable investment by successive federal governments, including this government—and I would like to acknowledge the work of the member for Denison, Duncan Kerr, in particular in the last government—to locate important and allied research organisations in Hobart. This has created a synergy of Antarctic and Southern Ocean science education and training. Hobart has the infrastructure to support Australia’s Antarctic program. This infrastructure includes cooperating scientific institutions, and I believe there are something like 12 significant Antarctic and Southern Ocean organisations and their expertise located in Hobart and Tasmania.

The personnel and facilities for logistics support and the capacity to quickly and professionally assist medical evacuation is greatly enhanced because of their positioning in Hobart. Demand from Antarctic research organisations in Hobart for supplies has resulted in the development of commercial expertise and supporting infrastructure throughout Tasmania capable of meeting the needs of the Australian and international

Antarctic communities. The business of Antarctic resupply in the state exceeds, as I mentioned, \$93 million per annum and makes a significant contribution to Tasmania's economy and Tasmanian employment.

Recognising this, Tasmania acts as a partner in the promotion of Australia's role in Antarctica. The Tasmanian government promotes Hobart as a gateway to Antarctica, contributes to the establishment and operational costs of Antarctic secretariats, assists in meeting the cost of Antarctic related seminars, contributes to scientific development and hosts international visitors. Hobart is proximate to the eastern seaboard and the majority of Australia's population. In excess of 95 per cent of Australia's scientific community with specialist skills in Antarctica related fields are located on Australia's eastern seaboard. In fact, over 65 per cent are based in Tasmania.

It is generally agreed that a more flexible transport system is needed to service Australia's Antarctic program. The transport system suggested by ASAC's foresight report *Australia's Antarctic program beyond 2000* is a mixture of air and sea. The federal government's response to the report stated:

In cooperation with the Tasmanian government, the Howard government will pursue efforts to further develop the role of Hobart as a gateway to Antarctica. This will be an important factor when examining international cooperative arrangements for scientific research and logistic support as agreed in other recommendations.

This statement affirms that the federal government supports Hobart as the Australian Antarctic base.

The Hobart International Airport is a 24-hour operation with full international facilities. Hobart airport currently has the infrastructure and landing capacity to support the proposed Antarctic program, as well as having both customs and quarantine facilities and staff based in Hobart. The Bureau of Meteorology's Antarctic weather forecasting unit is based in Hobart. Hobart is the closest Australian port to Antarctica. The distance between Hobart and Casey is less than that between Christchurch and McMurdo, a route already in operation. It is some 48 kilometres

closer to Casey station than Albany, which is also vying for the tender for the air link to Antarctica.

Recent Bureau of Meteorology studies indicate that the flying distance to Casey is similar for Hobart and Albany as departure points. However—and this is very significant—meteorological modelling indicates that Hobart would be some 28 minutes faster on the return leg than Albany. The comparative proximity of Hobart to Christchurch—around three hours—creates opportunities for emergency aircraft sharing with the Antarctic programs operated from that city. The Australian Antarctic territory of George V Land could be opened up for research purposes with an air link emanating from Hobart.

Hobart has a history of supporting Antarctic expeditions, and the Tasmanian population is positively aligned to the close association with Antarctica. Hobart, it is argued, is the logical choice for the Australian embarkation and arrival point. It is the logical choice because the federal government is committed to enhancing Tasmania's role as Australia's Antarctic capital. That is where the infrastructure is, that is where the expertise is and that is where the experience is. Hobart already contains, as I mentioned, the most significant Antarctic infrastructure. Major additional costs would be associated with duplicating this infrastructure or transporting goods, services and personnel to an alternative location. The Tasmanian government is committed to promoting Antarctic issues. This promotion benefits Australia's reputation, as Hobart is the nearest Australian city to Antarctica. Flying the great circle route means that Hobart is closer to the Australian bases than alternative locations, such as Albany, and the Hobart airport has the facilities and the ability to handle the inter-continental air links.

I mentioned before that Hobart has very strong links with Antarctic and Southern Ocean organisations. I think it is enlightening to review some of these. There is, of course, the very important Australian Antarctic Division, the Australian Antarctic Data Centre, the Commission for the Conservation

of Antarctic Marine Living Resources, the Australian Bureau of Meteorology's Antarctic Branch, CSIRO's Division of Marine Research, the Institute of Antarctic and Southern Ocean Studies, the Antarctic Cooperative Research Centre, the Council of Managers of National Antarctic Programs, the Tasmanian Polar Network, the Antarctic Adventure, the French Polar Institute and the International Association for Cold Regions Development Studies—all very important and significant organisations who have the infrastructure, experience and expertise in Hobart.

I also understand that the Antarctic tourism group is about to announce the commissioning of a consultant to develop a marketing and promotion plan to further highlight to the people of Tasmania and tourists the state's unique Antarctic position. Tasmania, and particularly Hobart, has a long association with Antarctica. The state government's submission to the Australian Antarctic Division to secure Hobart as the Australian base for regular flights to the Antarctic not only has the historic relationship but also the infrastructure, the expertise and the experiential relationship required for it to do the job and to do the job into the future. The Antarctic region is very important for a variety of reasons and Tasmania has already played its part in developing this remarkable area—this remarkable resource—for our future. The question of safety, both for the people who work there and the people who supply the people who carry out the research and work in Antarctica, is very important. Hobart as a base for flights into Antarctica makes sense. The infrastructure is there and the argument is there.

Herbert Electorate: Infrastructure Projects

Mr LINDSAY (Herbert) (5.52 p.m.)—This is the grievance debate and boy, have I got a grievance! I have a grievance along with some 500,000 other Queenslanders, principally in North Queensland. My grievance relates to the shabby treatment we are receiving from the state government of Queensland. North Queenslanders are so concerned at this point about the way that the

south-east of the state is being looked after and the north is being forgotten that it could well be time to actively consider the possibility of a new state for North Queensland. That is a big ask, but the frustration that we have as North Queenslanders in relation to the non-delivery of essential services and projects to the north may bring on the fight which might lie ahead. In my own region, as an example, there are always major projects that are needed—standout projects. On each one of the four major projects in the region, the state government has said no to North Queensland. That is not acceptable. The state government lets the north down continually. Let me outline the projects and you will see the importance to the north and you will see why our area of the state is angry that the state government is not supporting North Queensland.

Let us look at the port access road. The proposed port access road for the port of Townsville has been on the agenda for some time now. It was principally the foresight of the former chairman of the Townsville Port Authority, David Carmichael, who saw that developing a new port access road on the eastern bank of Ross River would open up the port and bring new business and new industry to the Stuart area. It was a case of what came first, the industry or the port access road. It was David Carmichael's vision that you were proactive, you looked ahead and built something, and that brought prosperity to the region. Everybody agreed with David Carmichael, except the state government, which put in an environmental impact study on the project. That was highly successful—it slowed everything down by four years. It took four years to do an environmental impact assessment. It was ridiculous. Everybody knew what was happening: the state government did not want this project to go ahead. Now they have put another three-year delay on the project. Meanwhile, the Townsville port, the people of Townsville and the residents of Railway Estate, South Townsville and Oonoonba all wait. The city does not progress in the manner that it could with the new access road. It is a crying shame. That port access road should proceed

immediately. It should be a road of national importance. The Commonwealth government stands ready, if the state government declares it tomorrow as a road of national importance, to contribute 50 per cent to the capital cost of the project. We stand ready now, but the state government sits on its hands and says, 'No, we will continue to delay.'

Look at the major tourism project in the Cromatry wetlands. That has been a vision of a person you would know, Madam Deputy Speaker Kelly—Mark Stoneman. That project would develop a tourism attraction of international significance, another Kakadu National Park, in Queensland. The Commonwealth stands ready to provide \$1.7 million as its share from the Natural Heritage Trust, which has been expanded and extended in the recent Commonwealth budget. But what is the state government's position? They are required to contribute \$800,000 and the answer is no. The answer is no to the most significant new tourism development that the north has seen.

In relation to the Douglas arterial road, many people in Townsville and Thuringowa will know of the importance of this particular road. It is a future national highway. It will not be a national highway for 10 years, but the Commonwealth has the vision that, if we can build that road now, it would help many people in the city. By putting a bridge across Ross River, it will cut off seven kilometres for people from the upper Ross in access to the new general hospital being built at James Cook University. It will fix the traffic snarls at the Nathan Street intersection which are developing as that intersection becomes overloaded. It will have a cost-benefit ratio of—listen to this—13. That is unheard of. Governments build roads when they have a cost-benefit ratio of one; this has a cost-benefit ratio of 13. The Commonwealth stands ready, firstly, to contribute half of the capital cost immediately—some \$20.3 million—and then to pay back to the state another \$13 million when that road becomes part of the national highway. It is a terrific deal for the state of Queensland, the government of Queensland and the people of

Townsville and Thuringowa, but the state government says no. It is extraordinarily frustrating when we have one of the most important road projects in the north stalled by the state government.

Another major project is baseload power for the north. This does not directly touch the electors of Herbert, Leichhardt, Dawson or Kennedy, but on the other hand it does. The government promised us baseload power in the north by the year 2003. They have now put it out to the year 2005, and that is not acceptable. We need cheap, reliable, on the ground power in North Queensland now. The list goes on. At the ocean terminal for the port of Townsville, we are having American ships which bring \$1 million a day to the city turned away from the port because we do not have the wharfage facilities. We are having tourist ships turned away from the port. And of course the state government contributed to that by last year taking all of the cash out of the Townsville Port Authority. They are cash strapped. They cannot provide the facilities in their own port. Where did the state government take it? They took it to Brisbane, and the north once again misses out.

There were no guarantees for our rail workers. That is something we are very concerned about. And where is the promised tilt train to North Queensland? There was a big fanfare on that, but it did not happen. In health, where is the support for the acute spinal care and the back pain clinic at the new general hospital? Nothing. In education, where is the Douglas state school that was promised? Where is the Oonoonba state school that was promised in the last election campaign? On the backburner.

It is the towns and cities of the state that produce the wealth of Queensland. It is not the metropolis that now extends from perhaps Noosa to the border. It is the towns and cities out in the regions that produce the wealth, and we deserve our fair share to come back to the regions. But, no, if the state government wants \$9 million urgently to further a blow-out in the costs of a pedestrian bridge across the Brisbane River, it comes immediately. If they want \$280 million for a

football stadium at Lang Park, where it should not be built, it comes immediately. But, when the north wants major development projects that would further enhance the wealth of the state, the answer is no. The Premier plays politics and he is certainly not meeting his responsibilities to North Queensland.

In my region we now have four state members and we are worse off for it. I believe that the solution to that is coming to an inevitable conclusion. I believe that people in the north will say, 'If we can't get our fair share from Brisbane, let's have our own state.' I conclude where I began: I believe it is now time for North Queenslanders to actively consider the new state movement so that we can get our rightful share for the projects that we need.

Rural and Regional Australia: Infrastructure Spending

Mr HATTON (Blaxland) (6.02 p.m.)—It is interesting to hear the member for Herbert speak about the infrastructure needs of North Queensland. I have been to North Queensland with the committee that I chair for the Labor Party, the Industry, Infrastructure, Rural and Regional Development Committee. We have noted that there are a large number of potential infrastructure projects in that state. We have also noted that the Commonwealth government has not been quick in terms of initiating any of those infrastructure projects. The member rolled out a big wish list of projects that he thought could be supported by the state government, and argued that the Commonwealth was standing absolutely ready to do something about it. My experience of this government over the last five years is that they actually stated their baseline with regard to infrastructure projects in the National Commission of Audit, where they said that the Commonwealth government should not be responsible for a single direct service to any individual in Australia, that all the Commonwealth government should do is benchmark and audit—they should stand by as the referee watching the ping-pong match between the local government and the states, saying, 'Well done; well

served,' or 'That's a nice project; you can do well with that. We would encourage you to do that. Go off to the private sector and see if you can get that funded.' But when it comes to the Commonwealth government actually putting in the dough, where have they been? Where have they taken the initiative with regard to those projects? They have not been doing it and they will not do it.

One project that Sydney has had for a long period of time—40 or 50 years—and on which the Commonwealth government has spent more than \$20 million is Sydney's second airport. I want to come to the impact on general aviation at Bankstown in relation to that a little later. But first, I want to advise the House of a recent visit that I had in conjunction with a number of other members of our Labor Party committee to the City of Kalgoorlie-Boulder. I also went to the coast to Esperance, to look at the developments of the port authority, the general developments in Esperance and the connection between Esperance and Kalgoorlie, and to look specifically at some critical problems that the local people had with the federal government, the one that we have had since March 1996, not coming to terms with key practical problems that affect the people in the largest electorate in Australia.

We drove for more than an hour south from Kalgoorlie-Boulder to a town called Widgiemooltha. It is a petrol station essentially, with some associated activity. The lady who runs that petrol station is the only one of 50 people who are currently running off grid—off the electricity grid—petrol stations around Australia providing services to the motoring public who could in fact link up to the national grid. That would cost her business about \$340,000 a year. She is actually thinking of doing that. She can get part of that funded from a state government grant, most of the money, about two-thirds, from her putting the money up-front and linking up to that national grid. We were joined by Bob Bongiorno, who has a business on the Eyre Highway. I checked out Esperance. It was 103.9c for petrol in Esperance. In Kalgoorlie it was 106.9c. At Widgiemooltha it was 117.9c. I thought Norseman was high at

113.9c, but when Bob Bongiorno came along to see us he told us that on the Eyre Highway the cost of a litre of unleaded petrol was \$1.34 to \$1.38.

I think we can take it that, for anywhere in Australia, that is pretty high. One of the key drivers of the costs for Mr Bongiorno—and also for all of the other people who run petrol stations and provide services to travellers Australia-wide who have to run off diesel—is that this federal government regards them as a separate category. It says that the people providing those services cannot get any rebate whatsoever for running their plant, machinery and business, because they are a commercial activity.

You could grant that they are a commercial activity. However, who gets a 100 per cent full diesel rebate? Basically every farmer in Australia. I think that most people in the country would generally think that they run commercial activities. And it is not only all the farmers in Australia who are able to get that. The mining companies get it too. They are exploratory. We understand that. We went to the superpit at Kalgoorlie. We understand that a 100 per cent diesel fuel rebate is available to the people who run the superpit, Normandy Mining and others. It is available to every other mining company within Australia, but as far as I know they not only are share market entities but also run commercial operations.

Yet 50 people Australia-wide who run service stations have been told they are in an entirely different category. Their costs are dramatically affected by the fact that they cannot pull it back. Mr Bongiorno indicated something in the order of \$30,000 to \$40,000 a year at least for his business and others in a similar situation. That makes a pretty big change to what your bottom line is. It makes a pretty big change to what you have to charge people for petrol in remote Australia. This is a simple proposition. This is one that does not entail leading on to any other group of people. You can just look at remote Australia and petrol stations that are so affected—about 50. The cost of actually giving them the 100 per cent diesel fuel rebate is

between \$1 million and \$1½ million a year. Not a lot of money, one would think.

There is a different way to work out how much it would cost the federal government. It is actually 30 to 45 minutes of the federal government advertising budget in one single day. All they would have to do is forgo half an hour to three-quarters of an hour of advertising. You will note that the opposition has indicated that we will knock off at least \$60 million worth of federal government advertising as soon as we come to power. One of the simple things that the federal government could do is just take half an hour out of the day and give the diesel fuel rebate to these 50 important commercial entities who provide not just fuel but also phone services, emergency services and rescue services to those people who travel Australia-wide, including people who are aged.

In the last year and a half or so, these people have dramatically decreased in numbers. The information we have is that there are two key drivers to that. One is the impact of the GST; the second is the high cost of fuel. In terms of Australia's regional tourism and encouraging people to continue to tour Australia in larger numbers, it would be a sensible initiative to say, 'Okay, we will forgo that 30 minutes and we will put \$1 million to \$1½ million a year into a 100 per cent diesel fuel rebate for all of those operators.' We will be recommending that to our shadow Treasurer, Simon Crean, and we will also be bringing it to the attention of the leader. And we indicated to them that we would bring it to the attention of this parliament. This is my first opportunity to do that. It is a reasonable, sensible, rational, practical thing that could be done, but its real indication is of the attitude taken by the federal government to entities in remote Australia under enormous stress that should be supported and helped to help people travelling Australia rather than being punished as they are now.

The federal government does not believe in infrastructure spending; it does not believe in spending money on building a second airport. It does not believe that it should be done now. It thinks that maybe after 2005,

2010 or 2015 it may be able to do something. The environmental impact statement in relation to Sydney's second airport said basically that the federal government should be doing something—that it should not do what it finally did and adopt the do-nothing approach. The do-nothing approach entails two critical things. First, there would be an expansion of Bankstown Airport beyond its current limits, an expansion so that Bankstown Airport had to take regular passenger services, both regional services and—as this government has nominated—jet services up to 737s. The government said it should happen without one single cent of federal government money being spent on the associated infrastructure needs—without a single word from the Prime Minister or the minister for transport about the massive dislocation to general aviation in Sydney and to jobs within Bankstown and about how that should be addressed.

The member for Herbert gave a long list of what a state government in Queensland should do. The situation can be simply addressed in terms of these facts: in the nearly six years the government has been in power—it is over five now and by the end of the year it will be close to that—it has not addressed the infrastructure needs of Australia and does not intend to do so. (*Time expired*)

Youth: Government Policy

Mr BARRESI (Deakin) (6.12 p.m.)—I rise to address an important issue relevant to all members of parliament, and indeed all Australians: the welfare of our youth—the sense of hope or, conversely, the sense of hopelessness evident in a growing number of young people. As we know, young people are the future of our nation. They quite literally hold the keys to the future across all areas of human endeavour.

In this the year of the Centenary of Federation, many of us have attended schools and helped in the presentation of medallions and certificates. One of the things that strike me as I go around the schools is the sense of exuberance in some of the kids at primary school level. I trust that level of exuberance

and positive feeling remains throughout their lives. I say to them that where we have come as a nation in the last 100 years is very much due to the hard work and perseverance of people such as their parents, grandparents and all who have gone before them. But where we go in the next 50 years—how we sound, how we feel, how we look as a nation and how we relate to each other as a nation—really does depend upon them, on what they get out of school and how they interact with the community.

There is a sense of optimism at that stage in their lives, and one wonders whether that sense of optimism will continue. If we look at some of the recent figures and statistics that I will go into shortly, we can sense that there are a growing number of young kids out there who have a high sense of hopelessness and pessimism about their future. In 30 years time, when the names of the majority of the current members of this House will be merely entries in history, my children—indeed, the thousands of young people in Deakin under the age of 20—will be the leaders of our community, employers, employees and parents. But to look at the future I also want to look at the past in terms of how we are and how we should be responding as a government.

It is rare for me to quote from the past—I try to avoid it—but I want to mention a very important quote in the context of this speech. In 1944, former Liberal Party Prime Minister Sir Robert Menzies said:

What we must look for ... is a true revival of liberal thought which will work for social justice and security ...

True liberals have great and imperative obligations to the weak, the sick and unfortunate ...

To every good citizen the State owes not only a chance in life, but a self respecting life ...

That was supported in 1967 by Sir John Carrick, a former Liberal Party founder, senator for New South Wales and Minister for Education, who said:

We should regard free enterprise ... as one of our major instruments but not as an absolute weapon or as an absolute end itself. Liberalism and laissez-faire can never co-exist. The true Liberal is

always concerned for the welfare of the individual, for the creation of opportunities, for the preservation of human dignity and the development of human personality.

The coalition has a proud record of achievement in social policy areas over many years; yet you would be hard pressed to have any form of acknowledgement or acceptance of that by the critics. There are those who peddle the myth that this government has no social conscience, a myth perpetuated by those whose own agenda is not met or who find that they no longer have that privileged and disproportionate voice in the corridors of parliament that once they may have had. This government does have a heart and is concerned about the social wellbeing of Australians. In recent years, during the time of the Howard government, Australia has undergone a great deal of change, and some of it is now being reflected in policy initiatives addressing the plight of our young people.

While there has been a lot of focus on economics and budgets, there is much more, of course, that we can do. In terms of citizens and governments, rights and responsibilities, the coalition in government has sought to restore the balance, to restore it towards responsibilities. Many would say that the pendulum has perhaps swung too far; some Australians, even in the recent past, have been too firmly focused on their rights rather than their responsibilities. The recent response by some in the community to the budget demonstrates this shift from responsibility to rights—a far cry, Madam Deputy Speaker Kelly, from what perhaps your grandparents and others who helped to form and forge this nation in the past 100 years would have known as being indicative of the Australia that they lived in. As many have said before, we all live in a society, not an economy. Governments must be concerned with both aspects and must develop and implement policy ideas across all areas of human endeavour and activity.

More than 2,500 Australians of all ages, from all walks of life, die by suicide each year. In a landmark report, *Aspects of youth suicide*, brought down four or five years ago,

we were presented with some disturbing facts. Seven per cent of young people between 14 and 24 years of age have at some stage attempted suicide. Three per cent of young people up to the age of 18 will have suffered from some form of serious, depression related illness; and, by the time they are 18 years of age, 23 per cent will have suffered from severe depression. But the most startling fact is the 300 per cent increase in the suicide rates for young Australian men. Every day at least one person takes his or her own life and another 50 attempt to take their life. With suicide being a very common cause of death for young people—even more common than death due to motor accidents—governments, and indeed the whole community, must act responsibly.

Living is for Life, or the LIFE program, is a framework for prevention of suicide and self-harm. Launched last year, it is funded to the tune of \$48 million under the National Suicide Prevention Strategy. It is one program which helps to reduce the rates of suicide and suicidal behaviour across our nation. The framework has been developed for use by the Australian community to help plan and conduct suicide prevention programs. Active in its formation were the very people who deal with these problems on a day-to-day basis.

In the Deakin electorate in Melbourne's eastern suburbs, we have some good examples of programs which the government have put into place to help youth, to give them that sense of hope and optimism in their lives, rather than their going down the bleak and ugly path of depression and futility that may characterise their lives. I have spoken in the past about a number of these programs, but I have great pleasure in being able to speak about them again. The programs are successful; they make a difference in people's lives. Whilst as a government we will never be able to completely stop the incidents of suicide and self-harm, mental illness, child abuse, criminal behaviour, family dislocation and youth homelessness, we can at least as a government direct our attention to minimising them as much as possible. Not only can we but we have an obligation as a

government to the nation—and an obligation, more importantly, as legislators and decision makers to the young people of this country.

One program is Checkpoint, which was three years in the planning and to which we contributed \$379,000. I was pleased to be at the second graduation last week, where 24 students who were considered to be kids at risk had gone through an eight-week pre-apprenticeship training program. The great thing about that graduation—I was not able to go to the first one—was the parents who came up to me and said, ‘You have given my son’—or my daughter—‘a real sense of hope. The anger that was within them has subsided. They have gone through three or four different employers and have not been able to hold down a job. There is a real sense of hope now present. Thank you very much, Mr Barresi.’ I actually say thank you very much to the Checkpoint organisers, for they are the ones who fought for this program to be introduced into Melbourne’s eastern suburbs, and they are the ones who are creating positive outcomes for these young kids. So I congratulate Pastor Mark Bateman and his team at Maroondah Community Care.

The other program is one under Regional Extended Family Services. A lot of people may not know, but REFS actually pioneered the Reconnect model, which is now used around Australia. I am pleased to see that this year we have also allocated somewhere around \$600,000 for wilderness expeditions and training programs, taking kids away for 10 days to help them rebuild their lives and look at behavioural change, self-assessment, accepting self-responsibility for decision making and reorienting their life’s direction. Well done to Bruce Argyle and his team for once again providing another worthwhile program in Melbourne’s east. Finally, we have a great program called Australians Against Child Abuse, in Mitcham, with \$150,000 of Commonwealth funding to help in early intervention parenting projects. These are all programs that the government has introduced for the benefit of my community. (*Time expired*)

Internet Chat Rooms

Mr JENKINS (Scullin) (6.22 p.m.)—Tonight I grieve on behalf of a constituent of mine who, for the sake of this debate, I will refer to as Mr Y. I refer to him in this manner in an attempt to not further the anguish that the circumstances of the story I am about to share with the House have caused him, even though those circumstances have been the subject of at least three articles in the *Sunday Age*.

Some 14 months ago Mr Y came to my office to outline the fact that his daughter had, by misusing her mother’s credit card, bought a fare through Qantas to take her to Denpasar. Mr Y attended my electorate office because he had suspicions that his daughter had gone to Indonesia to then go on to East Timor to join up with a man in his mid-30s—for the sake of it this debate I will call him Mr L E—whom the daughter had met through an Internet chat room. It appears that soon after her 15th birthday Ms Y became very friendly with this gentleman whom she had met over the Internet, that from time to time this friendship had caused a host of problems within the family home and that as early as August 1999 the daughter had gone to the residence in Melbourne of Mr L E.

Envisage here that we have a daughter, 15 years old, in a relationship of some sort with a gentleman in his mid-30s. What were the parents to think? You would be excused for thinking that they might think the worst, that there was some deep relationship developing. This led to their involvement with the state Department of Community Services. Over a lengthy amount of time there was an attempt to resolve the complex issues that arose out of the tensions that this was causing to the family. But at the time that Mr Y came to my office the circumstances were that he literally was unsure where his daughter was. All he knew was that in the mail on the day that the daughter fled to Indonesia there was a receipt in the name of the mother for an e-ticket on Qantas to go to Indonesia. Subsequently they found that the credit card had been misused. This was re-

ported to the Victoria Police, who took action to contact Qantas. An attempt was made to have the daughter taken from the flight, but this got into a complex web of legalities over whether this was able to occur. Further, the Indonesian authorities were notified of the circumstances of the daughter leaving Australia and they undertook to interview her when she arrived in Denpasar. Again, I stress that at the time the daughter was 15 years old—she was about six to eight weeks short of her 16th birthday. Subsequently the Indonesian authorities allowed the daughter into Indonesia.

When Mr Y was trying to ascertain exactly where his daughter was, he questioned the Department of Foreign Affairs and Trade to see what assistance they could provide. I wish to stress that, in raising these circumstances with the House tonight, I do so in an attempt to have members of the House try to learn any lessons that we can from the circumstances. At no stage am I overly critical of the actions of people in various departments, both at federal and state level. In fact, at the end of the day, there was strict adherence to legalities and policies. I merely raise this to see if in some way we, as a legislature, can look at the way that this problem was administered to see if that can be improved. Foreign Affairs told Mr Y that, whilst they had been able to ascertain the whereabouts of the daughter, because of the Privacy Act they were unable to inform him of where she actually was.

Over the last 14 months, Mr Y has been to the Commonwealth Ombudsman and the Victorian Ombudsman; he has been referred to the police complaints unit and a whole host of other investigatory agencies. The Commonwealth Ombudsman has outlined that what the Department of Foreign Affairs and Trade did was within what they were able to do. They could only have released the information if they were sure that the daughter's life or health was under serious or imminent threat. In their letters to Mr Y, the department have been very understanding of the anguish that he is going through. But, at that point in time, we have to put ourselves in his shoes and the shoes of the daughter's

mother and older sister, when they did not actually know where she was but had suspicions, given that the friend, Mr L E, had left for Dili to set up a business.

The saga has continued. The daughter held out until she attained the age of 16, which gave her a different legal status. She was obviously fully aware of this because she was able to use this in discussions when, finally, the parents were able to track her down. Both Mr Y and his wife have visited East Timor. They visited the daughter, but the daughter would not have very much to do with them. When the daughter's visa expired in East Timor she returned home to Australia. There were attempts at reconciliation as a family unit; these failed. In the end, Mr Y gave his permission for the daughter to return to East Timor. Presently, as was outlined a couple of weeks ago in the *Sunday Age*, the whereabouts of the daughter is unknown. The friend, Mr L E, does not even know where the daughter is.

Part of the investigations that have gone on have been into the relationship between the 30-plus Mr L E and the daughter. The Victorian Ombudsman has been critical of the way in which the department overlooked in part some of the claims that were on the file—that they were not fully investigated. Through my colleague the honourable member for Batman, who has also had dealings with Mr Y, the then Minister for Justice and Customs, Senator Vanstone, was helpful in having the circumstances investigated. I understand that the Australian Federal Police interviewed Ms Y in the presence her mother, but she denied that she had been in any way pressured to have a sexual relationship with the alleged suspect. That was the end of the investigations.

Mr Y is now in ill health. His marriage has broken down. He simply asks whether there were people listening to him, whether there were things that should have been done that could have been done. So I suppose it is for this House to have a look at the circumstances to understand if there is anything that we can do. I go back to the initial point at which the saga started. The time when Mr Y

came to visit me in my electorate office was about the time that Police Commissioner Ryan in New South Wales had indicated that an incident had occurred with his daughter and the material that she had obtained through a chat room. In some of the commentary about that incident it was said that when a reasonably sophisticated father like the commissioner did not understand the ramifications of the daughter's access to the chat room what hope is there for others? The *Sunday Age* in their commentary about things to do with Mr Y's family have indicated that in, for instance, the United States there have been state laws instituted that prevent people, as a result of Internet chat rooms, entering into sexual relationships, especially with minors. These are the things that perhaps we have to learn.

In this very short overview of the circumstances of this case, I have not been able to go into the complexities. I think that Mr Y, when he is able to put his anxiety away, would understand that there is a shared responsibility between family and government departments in the way in which these things should be dealt with. I hope that we learn from the circumstances of Mr Y. (*Time expired*)

Sitting suspended from 6.32 p.m. to 8.00 p.m.

Inland Marketing Corporation

Mr LAWLER (Parkes) (8.00 p.m.)—I wish to bring to the attention of the House this evening a tale of an extremely worthwhile enterprise that has huge and far-reaching benefits for western New South Wales. The project is well known to the people of western New South Wales, especially to primary industries but also to many local government bodies in the region, along with the New South Wales and federal governments—although you would be forgiven for thinking that the New South Wales government did not know about it. I refer to the Inland Marketing Corporation in Parkes, which is a groundbreaking initiative to re-work the local agricultural industry and therefore the economic base of the towns and villages in the region.

The scheme aims to efficiently market new high value produce to pre-identified buyers abroad and nationally, with particular focus on the South-East Asian markets. The IMC's motto largely mirrors the advice given to the wool farm belt for years: diversify to lucrative products; value add and pre-sell, or forward sell, that produce where possible; expand markets nationally and internationally and, in doing so, look to Asia. Moreover, the project is locally driven and has won considerable grassroots support. The Deputy Prime Minister and Leader of the National Party of Australia, John Anderson, opened the IMC airfast storage arm of the facility last Friday. IMC Chief Executive Officer, Alex Ferguson, said on that occasion that it is in many ways his—the Deputy Prime Minister's—project due to the support that Mr Anderson has given.

The IMC does, however, seem to have recently slipped the memory of the state government, who were once great supporters, pledging to meet federal funding. As time marches by, one would be forgiven for thinking that the state government had hoped that the federal government would not bring forward their part of the money and, therefore, the state would not be asked to bring theirs. That once vocal support dimmed to barely a whisper following the federal government's commitment of \$4½ million last year. In fact, the IMC CEO, Alex Ferguson, said of the state government in his address to those assembled on Friday, 1 June:

They seem to be able to build everything else, but they won't help the IMC.

In an article in the Parkes *Champion Post* newspaper covering the facility's opening, Mr Ferguson saw fit to expand on this theme and laid the wreath of neglect squarely on the neck of the New South Wales government. On page 1 of today's edition he said:

We did a deal with the State Government that if the Federal Government put up \$4.5 million then the State Government would put up \$4.5 million.

The state was to mirror the Federal funding.

What the State Government has now said is 'sorry, we won't play your game'.

Mr Ferguson went on to say:

They seem capable of building everything else, such as sports arenas, but they aren't prepared to help build things like the IMC.

I do not wish the House to view Mr Ferguson's comments as perhaps materialising out of an atmosphere of political preference or allegiance. Before the federal government's contribution last year, Mr Ferguson was publicly no more sympathetic to either tier of government—state or Commonwealth—and, in my opinion, his most recent statements are also apolitical. Instead, they reflect Mr Ferguson's and many of the local governments' views in the area. They reflect their frustration and outrage that the New South Wales government—the same government from which so-called Country Labor has emerged in New South Wales—has shunned the project ever since the IMC seemed likely to go ahead. The current administration did offer support in the early feasibility stages of the project but, short of generous verbal commitment, has failed to make good on its pledge of substantial backing. I certainly share Mr Ferguson's frustration, given that the IMC approach is the culmination of what the agricultural sector has been told to do by successive state and federal administrations in recent years.

The project's ramifications are enormous in terms of creating jobs and prosperity in country New South Wales via a rejuvenated agricultural industry. The economic impetus would be spread to secondary industries in our country towns and could conceivably reverse the economic forces currently at work in rural communities. The difficulties facing regional areas like western New South Wales are complex, but in many ways they begin with the stagnation of traditional produce, such as wheat and wool-sheep farming, across the countryside. The IMC is the circuit-breaker that could stop the juggernaut of regional decline and eventually be the long sought after tonic for dwindling populations and employment. Yet the government of the IMC's home state has apparently seen fit to shun the fledgling project, just when the IMC needed its supporter's words translated into deeds.

At the end of last year, the federal government met its part of the bargain to the tune of \$4.5 million, but the absence of response from the state government has been disgraceful and negligent. Its so-called Country Labor members are long on rhetoric about the importance of country New South Wales but seem only to shirk the task when a financial commitment is required. With the handing down of the recent federal budget, a number of Country Labor critics took no time to outline what the ALP head office told them to say and pointed out what they saw as flaws in the package. Within days, a state budget was handed down completely devoid of any financial support for the IMC and the response of these same critics was completely nonexistent.

One of the things that the state government championed and trumpeted about in its own budget was how fair and reasonable it was to regional New South Wales. One of the centrepieces of its announcement for west of the mountains was \$35 million to be spent over 12 years on the Dubbo Western Plains Zoo. That is no small amount of money in anybody's language, until you realise that it is \$35 million out of a total of \$225 million that is to be spread between Taronga Zoo and Western Plains Zoo. So here we have yet another case of the regional area being very much the poor cousin of the city. To play petty politics with a project of magnitude is to betray a contempt for people of country Australia that had previously only been hinted at in citycentric spending before and after the Olympics.

The core councils involved in the IMC—that is, the Lachlan, Parkes, Forbes and Cabonne shires—have been promoting the cause of the IMC for years. I am under no illusion that it took a lot of work and a lot of sacrifice by these people, traipsing up and down the corridors of parliament, both in Canberra and Sydney, trumpeting the benefits that the IMC would bring to our regions. The commitment that they were given at both federal and state levels, after a lot of toing-and-froing, was that each government would put in their share of the contributions. Clearly they have been let down. The IMC

have put out a prospectus so that the other 50 councils that have supported them through this period have the opportunity to get in on the ground floor of the IMC. They and I are confident that the IMC will eventually be a profit making venture and that the profits will be reinvested into regional New South Wales, going to the councils that have had the foresight and the vision to invest in the IMC. I quote various members—such as the Mayor of Parkes, Robert Wilson, and Alex Ferguson, the CEO of IMC—in talking about what the IMC can do and what the core councils have done. The mayor was referring to the core councils when he said:

But you stuck with it and have helped create a credible opportunity for the people of inland New South Wales.

Many people are afraid of change or wait for someone else to lead the way.

But if you follow someone else you always come second.

We want to be out in front.

We are presently offering every Council an opportunity to have an equal share in the IMC.

He went on to say:

The time has come to add as much value to our products as we can, and that can be achieved through the IMC.

The IMC is long overdue.

The next stage is to develop the delivery system, and that is an international freight airport at Parkes.

That will come one day, but in the meantime the hope offered to rural communities by the IMC is not confined to the central west of New South Wales. As we attended the launch, already packed in the coolroom of the facility in Parkes was a load of oranges which had come in from Bourke and was waiting to join an international flight out of Sydney to its place of destination. The IMC has developed a logistics system by which the farmers will know exactly where their produce is from the time it leaves the farm gate until it is delivered to the supermarket shelf. It has an uninterruptable cold chain, computer facilitated operations and experts working on the ground in Parkes who have been gathered from all over Australia to

bring their area of expertise to this fantastic marketing program. I am proud that, in my time as the member for Parkes, the IMC has been one of the electorate's most successful programs, and I have no doubt that it will continue to be so and will deliver to western New South Wales. (*Time expired*)

Question resolved in the affirmative.

COMMITTEES

Corporations and Securities Committee

Report

Mr SERCOMBE (Maribyrnong) (8.10 p.m.)—On behalf of the parliamentary Joint Committee on Corporations and Securities, I present the committee's report, incorporating a dissenting report, from Senator Andrew Murray, the Democrat senator, into the provisions of: (a) the Corporations (Commonwealth Powers) Act 2001 (NSW), and (b) the Corporations Bill 2001 and the Australian Securities and Investments Commission Bill 2001, together with evidence received by the committee.

Ordered that the report be printed.

Mr SERCOMBE—by leave—Being encouraged by my colleague the member for Holt, I make a couple of very brief remarks. These particular items come to the parliament with the support of both government and opposition members of the committee. They relate to the urgent need for the Commonwealth to remedy some deficiencies in corporations regulation in Australia that arise from two High Court decisions: firstly, the *Wakim* decision of 1999 and, secondly, the case of the *Queen v. Hughes*, in 2000, which have in fact raised significant problems in relation to the constitutional basis on which corporations are regulated in Australia.

We in the parliament are all aware of the fundamental importance of this area for our economy's performance, so this matter has been quite urgent. The reports that have come to the House endorse the approach that has been taken on a bipartisan basis to remedy the perceived deficiencies of corporations regulation that arise from the High Court's decisions. The Democrat senator on the committee has provided a supplementary

report—and that is a more accurate description of his comments—rather than a dissenting report. He has taken the opportunity presented by the inquiry to make a number of observations about the way in which corporations regulation should now proceed. On that basis, while indicating the bipartisan nature of the need to pursue these matters promptly in the national interest, I table the report.

**GREAT BARRIER REEF MARINE
PARK AMENDMENT BILL 2001**

First Reading

Bill received from the Senate, and read a first time.

Ordered that the second reading be made an order of the day for the next sitting.

**APPROPRIATION BILL (No. 1) 2001-
2002**

Second Reading

Debate resumed from 24 May, on motion by **Mr Costello**:

That the bill be now read a second time.

Mr SOMLYAY (Fairfax) (8.14 p.m.)—This is the sixth Howard government budget brought down by the Treasurer, Peter Costello. I congratulate the Treasurer on this budget, which continues to rebuild Australia after the devastating Labor debt and deceit rampage of the early 1990s by successive Hawke and Keating governments. The Treasurer has produced in this budget his fifth consecutive surplus. I want to make it clear that a surplus equals savings.

A surplus budget in itself does not mean too much; it is necessary to examine the reasons for producing budget surpluses. It is understandable that different sectors of the community looking for additional help through tax cuts or further expenditure would argue that the government should use the budget surplus. In my electorate that certainly is the case. The average person cannot comprehend the necessity of producing successive budget surpluses. The perception may be that the government is taking too much in taxes and not returning it to the electorate in the form of expenditure, be it on

infrastructure, welfare payments, health, education, industry support or whatever.

It is important, though, for all Australians to understand what a precarious position Australia was in when the Howard government came to office a little over five years ago. It can never be said too often: there has never been a Labor government, state or federal, that eventually did not go broke. Before the 1996 election, the present Leader of the Opposition, the then Minister for Finance, told the Australian people that the Labor budget was in surplus. On the morning after the election, Treasury officers told Peter Costello, the new Treasurer, that the Labor budget was actually \$10.3 billion in deficit.

If a government spends more money than it collects, it has no option but to go into debt or to sell something. Labor, of course, did both in their last five years in office. Labor had a privatisation spree: they sold Qantas, the Commonwealth Bank and a host of other government business enterprises. What has Australia got to show from the proceeds of those sales? The answer is nothing—a big, fat zero. What was the outcome? In five years to 1996, accumulated deficits, less the proceeds from selling off assets, left us with a government debt of \$80 billion. Eventually, the day of reckoning must come, and had to come. That debt has had to be paid off.

In successive budgets, the Howard government has done just that. When you spend more than you receive, the result is debt—that is the Labor way. It was the Whitlam way and it was the Keating way. Should he ever get the opportunity, it would be the Beazley way. In 1996 Labor left us in debt, with an annual interest bill of between \$9 billion and \$10 billion. At the time, the Howard government made a conscious decision to pay that debt off. The government had to cut expenditure for us to live within our means and to produce surpluses—that is, savings to pay off Labor's debt. Cutting expenditure is never popular, but even the opposition in their heart of hearts believe—and they believed this at the time—and admit privately that it had to be done. As the Treasurer said in his budget speech, we are

saving \$4 billion now in interest payments because we have paid back \$50 billion of Labor's \$80 billion government debt. The Howard government has not borrowed one cent in net terms since coming to office, and we can spend \$4 billion each year either in tax relief or on programs, and that would produce hospitals, schools, extra police and whatever. That is responsible governance. The current surplus represents further savings which can be used for further debt reduction and savings on our interest bills.

As the Treasurer said, Australia's net debt level is one of the lowest in the world—lower than the OECD average, lower than the USA's. The Howard government have produced an economy with high growth rates, low inflation and low interest rates—the lowest interest rates in 30 years. This could not have been possible without the commitment to meeting head-on Labor's legacy of debt. This has been achieved together with the greatest reforms in our taxation system and in industrial relations since Federation. In their six budgets, the Treasurer and the government have introduced new measures in the areas of employment, health and education, and introduced many initiatives in regional Australia. In fact, every portfolio interest has been advanced from the days of the Labor government. Commonwealth-state relations have been totally reformed. In each budget, some of the surplus has been set aside for new initiatives. As the Treasurer said, this is nation building to strengthen our economy.

I now turn to specific measures in this budget, and I repeat that the capacity to do these things is a result of good management through debt reduction and government savings. I have a very large aged population in my electorate. Fairfax—which includes the Queensland Sunshine Coast centres of Nambour, Coolumb, Noosa and Gympie—is Australia's premier retirement destination. In the 11 years that I have been in the parliament, my electorate has experienced an enormous growth rate, with 1,000 people being added to the electorate roll each month—and most of these are retirees. It is the area in my electorate where the independent retirees

movement started in the early 1990s. Self-funded retirees were a section of the electorate that was ignored by Labor. Labor's attitude to self-funded retirees was described by one Labor minister some years ago in this chamber. They were seen as 'a bunch of old wealthy people driving around in Mercedes Benzes'. Nothing could be further from the truth. Self-funded retirees are people who saved for their retirement and had the capacity to save for their retirement. That is not a criticism of pensioners: not everyone has the capacity to save.

Labor's tax system did not give self-funded retirees fair treatment compared with pensioners. They deserve better, and this budget builds on their tax concessions under the previous budgets of the Howard government. What did the Association of Independent Retirees seek from government? They sought treatment equal to pensioners. Five years ago, a person on an age pension received over \$11,000, with no tax payable. A self-funded retiree who received \$11,000 from their savings or investments—that is, the same income—paid tax on every dollar over the tax-free threshold of \$5,400. As the Treasurer said, they paid more tax than pensioners even when they had the same income. The government thought that was unfair.

So one of the first things the government did in 1996 was to put self-funded retirees on an equal footing with pensioners. It raised the tax-free threshold for older Australians to \$11,185. A qualifying self-funded retiree did not pay income tax on his or her income below that amount. With the introduction of the new tax system, these thresholds were increased. But in this budget the government will go much further. We are lifting the low income aged persons rebate with effect from this current financial year—that is, it is being backdated to 1 July 2000. The increase announced by the Treasurer will mean that, in the current financial year, qualifying self-funded retirees and age pensioners will have an effective tax-free threshold of \$20,000—that is, they will pay no income tax unless their income, including the pension, exceeds that amount. The effective tax-free threshold

for a couple on equal income will be lifted to \$32,612. Qualifying couples will pay no income tax until their combined income exceeds that amount. Further, older Australians who hold a Commonwealth seniors health card will have extended to them the same concessions on telephone costs as pensioners. They will be entitled to a telephone allowance of \$17.20 per quarter as from September. The Commonwealth will also open negotiations with the states with a view to extending other pensioner concessions to health card holders over time.

For the first time, the government will also introduce twice a year indexation for those on Commonwealth superannuation pensions in line with the CPI from 1 January 2002. This will assist those on such pensions to keep up with the cost of living. As the Treasurer said on budget night, assistance will be provided to Australians seeking to maintain their superannuation savings in the years immediately prior to retirement. Accordingly, superannuation assets are to be exempted from means tests for people aged between 55 years and the age pension age. This means they can receive income support without expending part of their superannuation.

There has been some confusion in the electorate about the definition of a self-funded retiree. In my electorate, I took many calls from self-funded retirees who are males under 65 or females under 61½. They of course do not qualify for the concessional tax treatment until they reach pension age. I remind people that these concessions, as I said before, were introduced to ensure that self-funded retirees had tax treatment that was equal to that of pensioners and must therefore apply only to self-funded retirees over retirement age—that is, pension age.

In recognition of the unique circumstances of their captivity, the government will make a one-off payment of \$25,000 to former Australian prisoners of war of the Japanese and to civilian internees and detainees of the Japanese. For those who are no longer alive, payments will be made to their surviving spouses. Compensation in similar amounts

has been made by governments in Britain, Canada and New Zealand to their prisoners of war. No amount of compensation will ever make up for the pain and loss these diggers suffered, but our nation should make a statement of recognition and thanks. This POW payment will be made before 30 June.

Yesterday morning I attended a meeting of the Sunshine Coast Ex POWs Association, and some concern was expressed by former POWs from other theatres of war that they received treatment no less cruel than that received by prisoners of war at the hands of the Japanese. They asked me to express their concerns to the parliament and to the government, and I stand here and do that now.

The Treasurer announced a benefit for all those on the full or part age pension. The government has previously legislated to fix the age pension at 25 per cent of male total average weekly earnings. On 1 July last year it was increased by four per cent and the government is maintaining it at two per cent higher in real terms. There will be an additional payment for all those who receive income support and are over pension age, including service pensioners. The government will pay each person who receives the pension or part pension a non-taxable lump sum of \$300.

On 1 January 1999 the government dramatically widened the eligibility for the Commonwealth seniors health card. The card enables holders to purchase pharmaceuticals on the Pharmaceuticals Benefits Scheme for \$3.50 instead of at the general rate of \$21.90. After 52 prescriptions, all scripts in a calendar year are free. From 1 January 1999, the income limit for eligibility for the card was raised from \$21,000 to \$40,000. On 1 July 2001, this eligibility will be lifted further with an income test of \$50,000 for singles and \$80,000 for couples. This is expected to extend the card to an additional 50,000 older Australians.

I now turn to other budget initiatives which have not so much been the focus of public attention as the initiatives for older Australians have been. There are over 120 dairy farms in my electorate, mostly in the

Mary Valley from Kenilworth to Gympie. Many of the farmers are facing a major upheaval in their lifetimes. The deregulation of the dairy industry by the states—I repeat: the states, not the Commonwealth—has had a major effect on the future and the incomes of farmers. The hypocrisy of the Labor Party on this issue is breathtaking. Peter Beattie blamed the Commonwealth for the deregulation of the dairy industry. Imagine my amazement when I read in my local paper that Peter Beattie had challenged the Commonwealth to reregulate the dairy industry and has guaranteed the full support of the Queensland government. What blatant hypocrisy! Beattie knows that the Commonwealth had no role in the decision to deregulate the dairy industry.

In fact, the Commonwealth responded to the dairy industry with an adjustment package worth \$1.8 billion, financed by a consumer levy of 11c per litre. That was subject to every state deregulating. That includes Queensland. When Beattie deregulated in Queensland, he offered no compensation to farmers for their loss of quota. That was their production equity. Quota was the basis of borrowings by farmers for carry-on finance. With one stroke of his pen Peter Beattie destroyed their equity, with no compensation—there was no fulfilment of Beattie's moral obligation to compensate farmers for loss of quota. New South Wales and Western Australia, the other quota states—they are also Labor states—were in a similar position. This budget provides an additional \$140 million in adjustment for the dairy industry to help those farmers the states have abandoned. I commend the government for this important initiative and show of compassion to pay for a state responsibility, something that is the moral responsibility of each state.

Any federal budget is a massive task. The ramifications are widespread, touching everyone's life in one way or another. By far the greater part of the budget refers to ongoing programs. The highlights of the budget are usually new initiatives, and this budget is no exception. As well as help for older Australians, this budget contains major reforms in welfare and work, strengthening Australia's

health system, safeguarding Australia's natural environment, protecting our agriculture, strengthening measures against exotic diseases, plus defence measures totalling \$27.6 billion.

There is one other matter I wish to raise in this debate on the budget. Budget debates are wide ranging, so I will take the opportunity to raise this issue. The subject is the expense associated with by-elections. We have recently seen by-elections in the Victorian seat of Isaacs and in the Queensland electorate of Ryan. We now have a by-election in Aston. The circumstances of each by-election are quite different, but they have one thing in common: by-elections are very expensive. With respect to the Ryan by-election, the voters were clearly angry at having to return to the polls when John Moore decided to retire suddenly less than a year from the general election.

I suggest to the House that we abolish by-elections and adopt a similar system of filling casual vacancies as we do in the Senate. If we did that, the John Moore scenario could not be repeated, at enormous cost to the taxpayer. Casual vacancies could be filled by party nominations and ratified by parliament. In the case of voluntary or involuntary retirement through death or illness of an Independent, for instance, a formula could be found to replace such a member. By-elections seldom affect a government's mandate or its numbers on the floor of the House. Such arrangements would have strong electoral support and save taxpayers considerable money. I commend the budget to the House.

Mr TANNER (Melbourne) (8.34 p.m.)—I rise to speak on the [Appropriation Bill \(No. 1\) 2001-2002](#). The budget that is before the House tonight is a panic-stricken cry for help from a government that is in terminal decay, a government that has been squandering the nation's money as if it has no tomorrows and that clearly understands that the pain it has generated in the community is now coming home to roost. This is a government that has gradually eroded the fiscal position of the Commonwealth over the past three years to a point where the position is now extremely

parlous, coming from an original position in 1996 when the government made great play of the fact that it cut a very substantial amount of money from Commonwealth outlays over the subsequent four years in that first Costello budget in 1996. Those cuts were in total roughly \$24 billion, and of course they came from things like education, universities, child care, labour market programs, health and a variety of other very important programs, most of which were related to the fundamental economic substructure of the nation, particularly in areas of knowledge generation like universities, research and development and things of that nature.

It is interesting to note that the outcomes for the four years that followed actually reflected a net increase in expenditure by the government of \$38 billion. In other words, they cut \$24 billion off Labor's estimate for the four years starting in 1996-97 but in outcomes, in actual events, the government spent \$38 billion more than they projected at that time. We have seen since that time an even more substantial erosion of the overall fiscal position of the Commonwealth.

Between the budget last year and the release of the midyear economic and fiscal outlook papers in November of last year, approximately \$600 million worth of new spending was added to the overall fiscal position of the Commonwealth. The period between the midyear economic and fiscal outlook and the budget this year saw an additional \$2.3 billion added to the total spending for the financial year that is about to conclude and another \$2.1 billion added to the financial year that is about to start—in other words, the 2000-01 financial year and the 2001-02 financial year, respectively. At the same time that this was occurring, the government upgraded the growth forecast for the financial year from 3.75 per cent to four per cent. This upgrading occurred right in the middle of the first quarter of negative growth that Australia has experienced for approximately a decade. The Treasury, the Treasurer, the Prime Minister and the government collectively got it very wrong indeed.

It has been very interesting to hear the ex post facto justifications made by the new Secretary to the Treasury, Mr Henry, in recent times—in particular, his plea that most private commentators and economists got it wrong as well. Of course, we would hope—and I certainly hope, should I be fortunate enough to be finance minister in an incoming Labor government—that the Treasury will be a little better than private forecasters when it comes to projecting economic growth and changes in other parameters as a basis for determining Australia's fiscal position. If it is no better than private forecasters then we are in deep trouble, and we are already in significant fiscal trouble as it is.

We have had one quarter of negative growth and within that one quarter we saw the overall fiscal position of the Commonwealth crumble before our eyes. It took one quarter alone to raise the possibility that the budget would move into deficit to put the government in a position where significant measures would be required—and ultimately significant fiddles would be required—in order to ensure that the budget did not automatically fall into deficit as a result of a relatively limited modest downturn, as it then was. None of us knows to what extent the downturn will be entrenched and to what extent we will enter very serious economic decline. None of us yet knows where these things will head. But the fact that a very limited downturn was enough to put the budget on the brink of deficit is testament itself to the inadequate fiscal management of the government.

In the period immediately prior to the budget, we have seen a massive additional spend by the Howard government on backflips, on backdowns and on disasters—backflips such as on petrol, the business activity statement and beer excise; backdowns on things like the taxation of trusts as companies; and disasters such as the two tranches of spectrum sales associated with the 3G spectrum and datacasting. But none of us could have been prepared by recent history for the extent of the bonanza of spending that we have seen in the budget itself for the

2001-02 year, and which is also reflected in the out years presented in that budget.

There are three years in common over the four years in each of the two budgets for 2000 and 2001. Each budget projects an amount of revenue and spending for the forthcoming financial year as its primary task and it also entails projections for the ensuing three years. That means that when you are comparing one budget with the following year's budget, you have three years which can be directly compared. It is a very interesting exercise to compare those three relevant years in the current budget with the three years that are the same years that were projected in the previous budget. The three out years in the budget last year of course are the same years as the first year and the first two out years in the budget this year. The projected surpluses in those three years in the budget last year were \$3.2 billion, \$8.8 billion and \$14.4 billion. The surpluses projected for the forthcoming financial year and the subsequent two years are \$1.5 billion, \$1.1 billion and \$4.1 billion. The net difference is roughly \$20 billion. In other words, within the space of one fiscal cycle, one budget, the government has shaved almost \$20 billion off the projected surpluses over three years.

The extraordinary thing is that roughly 80 per cent of this change has come from spending. It cannot be attributed to the downturn in the economy or to the inevitable changes in parameters that that produces—the increase in welfare payments or the reduction in taxation receipts that usually follows from such changes. Eighty per cent of that \$20 billion comes from direct policy decisions by this government. The surplus that is projected for the forthcoming financial year—the 2001-02 year—is based essentially on sand. It is based on one or two outrageous fiddles—for example, the bringing forward and holding back of Defence property sales. In the past, we have seen some pretty creative accounting in budgets but this is, I think, the first time ever that we have seen a combined bring forward and hold back in one measure. Defence property sales worth about \$360 million that were due to occur in the

2000-01 year were held back to the next financial year and Defence property sales worth about \$200 million that were due to occur in forthcoming financial years beyond 2001-02 were brought forward. So \$560 million worth of Defence property sales that were not scheduled to occur in the forthcoming financial year have been put in that year to prop up the surplus.

There are various other windfalls that have helped the government cobble together a very dubious surplus, such as an unexplained drop of \$700 million in Public Service superannuation payouts and a stark leap in dividends paid by the Reserve Bank and other GBEs to the tune of \$2.1 billion, the vast bulk of which is attributable to the Reserve Bank and to profits made on trading in the Australian dollar. In other words, had it not been for the collapse in the Australian dollar in recent times, the budget clearly would have been very substantially in deficit. There are other smaller amounts that are all fortuitously in the budget, such as \$97 million that has been gained as a result of the deferral of the sale of Telstra.

The tragedy for the nation is that the spending that has been going on is, by and large, of limited value, relatively unproductive, focused on consumption, not investment, and invariably driven by political imperatives at the expense of the broader interests of the nation. When we left office, the government was the ninth largest advertiser in Australia. The only number one performance that the Howard government has managed to deliver in its five years in office is to become the nation's largest advertiser. Similarly, consultancies are now \$220 million a year more expensive than in the last full financial year of Labor being in power. In 1999-2000, \$119 million more was spent on consultancies than in the previous financial year.

On substantive programs such as the Natural Heritage Trust, the Regional Telecommunications Infrastructure Fund, the Centenary of Federation Fund and various smaller programs such as the families package we have seen a consistent pattern: unfo-

cused, fragmented spending, often on very small items that are not of economic, productive value. We have seen town halls being refurbished, consultants writing reports about the future telecommunications needs of particular parts of Australia and very small, localised environmental programs, which may be worthy in a narrow isolated sense but which form no part of a broader environmental strategy to remediate the Murray-Darling system or to tackle the salinity problems in our rivers or any of the other fundamental issues that face our nation. Unfortunately, this stands in stark contrast to the great needs which Australia has in terms of investment by government in economic capacity and in improving the quality of our natural and physical assets and our human capital, which stand as great challenges to governments of either side of this House.

Nowhere near enough has been done to ensure that all Australians will soon get access to the Internet. Nowhere near enough has been done to ensure that the Murray-Darling system and our great agricultural heartland will become sustainable and that the overuse of water, which is gradually crippling the system, will be reversed. Nowhere near enough has been done to ensure that our interstate freight rail system, which is seriously dilapidated and has been neglected for a long time, will be remediated.

It is interesting to note that a number of Labor initiatives have been picked up in the budget. Certainly we applaud them. In some cases they are things which the government introduced and then reversed. For example, the work credit idea, which Labor put in place and the government abolished in 1997, from memory, has now been put back. The government also sought to include superannuation in the assets and income test for people applying for unemployment benefits, which was an extremely cruel policy decision. That has now been reversed. They have finally worked out that training has a very important role to play in labour market programs, and so there is a significant change on that front. And they have realised the desperate need for more places in regional universities.

Some of the key giveaways in this budget, in which the government obviously places great political faith, are not quite what they seem. The \$300 paid to pensioners is seen universally as being in lieu of the \$1,000 that they were promised and, in a sleight of hand exercise, was slipped in for the financial year which is about to end, again in order to help the Treasurer prop up a very dubious surplus. Self-funded retirees are looking at the fine print, as you always have to with John Howard, and are discovering that what has been delivered is significantly inadequate compared with what was portrayed as being delivered.

The full GST input relief on motor vehicles purchased by small businesses is a bring-forward by one year of something that was always going to happen. The welfare and jobs package, which has been much touted by the government, relies very heavily on unspecified savings, which essentially is code for more and more arbitrary breaches where people in many cases find it very difficult to comply with particular regulations and who should be given some degree of surety that they can function with appropriate government assistance and not have it arbitrarily removed or reduced in this way purely to produce budget savings.

There has also been no change in the quality of information that we are getting in the budget. This government has seriously diminished the capacity for public scrutiny of the budget so that, under the guise of the introduction of accrual accounting, we have seen the removal of detailed forward estimates on programs, we have seen the removal of the ability to scrutinise particular officers or particular bodies such as the Office of the Status of Women—we can no longer track the specific budget for that particular entity and numerous other equivalent important entities—and we have also seen the ludicrous use of outcomes that are so broad and so vague as to effectively be meaningless as a basis for financial accounting. We have also seen the shifting of Telstra and the impact of the Telstra sale in the budget without disclosure of the full estimates by the government, again claiming

the commercial-in-confidence excuse as a reason for not disclosing extremely important information.

On the economic front, we are in a troubled period, there is no doubt. We have medium-term problems which arise from the government's failure to invest in research and development, in knowledge, in universities and in public education. We face a significant external risk, and that is acknowledged in the budget—it has not yet arrived and already we are facing some difficulties. The 3.25 per cent growth forecast is I think fairly hopeful. The IMF recently estimated for the calendar year that Australia's growth would be 1.9 per cent. Unemployment is estimated to head to seven per cent, from a government and a Treasurer who only recently were boasting that pretty soon we would see an unemployment figure with a five in front of it.

The GST's impact on the economy is very obvious when you read the budget papers. It has dampened economic activity. Where this is particularly obvious—this has not been widely reported—is that, although we had only one negative growth quarter in the December quarter, we actually had two quarters, the September and December quarters, where domestic final demand diminished—went backwards, was negative. They are the GST quarters. So in those two quarters we saw a reduction in final domestic demand.

Some have said that pump priming is appropriate in the current economic circumstances. I would disagree quite strongly with those suggestions. The government's fiscal splurge is, in effect, already pump priming, although it is extremely badly targeted and of very limited overall economic value. Our growth outlook is uncertain. We do not yet know whether we will end up in recession. There are some positive signs; there are some negative signs. So it is still unclear.

There is a significant inflation risk. Petrol prices have had a significant inflationary effect. The value of the dollar falling so quickly, the GST, cuts in interest rates, which stimulate further activity, and the March quarter inflation figure of 1.1 per cent illus-

trate that we have to be cautious about the threat of inflation and that further pressure on the Australian dollar and on interest rates from an even bigger fiscal splurge would be most unwelcome in the community generally.

It is interesting to note the broader political context of this budget. I am amused by the commentary of some business organisations that it is a fiscally responsible budget which will boost productivity. It would appear that some peak business councils in Australia demand fiscal responsibility of Labor governments and re-election of Liberal governments. I am also amused by the claims that in some ways this is a very smart budget politically because it has boxed in the Labor Party. Even leaving aside the rather obvious point that the management of the nation's finances in the interest of the nation really has to take precedence over smart political gains, there are some fundamentally flawed assumptions in this argument.

The first is the assumption that, had the surpluses projected in last year's budget been available, Labor would have gone on some sort of spending spree. That simply would not have occurred. What we recognise is that it is quality of spending that counts far more than quantity. Voters are very cynical about big promises, about big spending governments, and the one lesson that has been absolutely paramount for the Labor Party over the past two decades in this country, be it at state or federal level, is that, without fiscal responsibility and sound economic management, our aspirations to improve the nation's public education system and the nation's public health system, our aspirations to ensure that people have better living standards and that government services are delivered to the people in a more effective way, all ultimately end up as nought. Without sound fiscal management, we cannot seek to achieve those objectives, to make them sustainable and to entrench them. Therefore, the notion that Labor are boxed in is really a bit ludicrous. The government has been congratulated by some commentators for denying us an opportunity to do something that we were not going to do anyway.

This budget is really the death rattle of a dying and discredited government. Australia needs a Labor government to invest in national economic capacity, such as research and development and the knowledge nation, to ensure that we have a fiscally robust position which is a sound basis for Australia's future and to guarantee proper transparency and public scrutiny of these processes. I move:

That all words after "That" be omitted with a view to substituting the following words:

"whilst not declining to give the bill a second reading, the House condemns this Government for its:

- (1) reduction in the projected Budget cash surplus from \$14.6 billion when the 2001-02 Budget year first appeared in the 1998-99 Budget Papers to a surplus of \$1.5 billion and an accrual deficit of \$0.8 billion in this Budget;
- (2) failure to address the significant investment needs in the areas of education and health provision;
- (3) string of policy backflips and wasteful, panic driven spending across almost all program areas;
- (4) commitment to sell the rest of Telstra if re-elected;
- (5) failure to provide relief for Australian families under financial pressure;
- (6) failure to address the hardship, and red tape nightmare faced by small business arising from the introduction of the GST;
- (7) deception of self-funded retirees and pensioners through misleading taxation claims;
- (8) failure to provide a comprehensive retirement incomes policy which addresses the needs of the new century;
- (9) lax approach to corporate governance issues which has contributed to the recent spate of corporate failures;
- (10) lack of an ongoing commitment to the protection of employee entitlements;
- (11) misuse of taxpayers' money on its politically partisan GST advertising campaign;
- (12) provision of complex, confusing and uninformative budget documents;
- (13) failure to identify in the Budget papers the true cost of GST collection and implementation; and

- (14) failure to deliver its guarantee that no Australian will be worse off as a result of the GST package".

Mr DEPUTY SPEAKER (Mr Hawker)—Is the amendment seconded?

Ms Ellis—I second the amendment and reserve my right to speak.

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Science and Resources) (8.54 p.m.)—I stand here this evening to applaud the *Appropriation Bill (No. 1) 2001-2002* and to recognise the magnificent efforts of this government in dealing with some very difficult economic challenges that we have had. I noticed the member for Melbourne expressing concerns about the accuracy of the figures in this budget. I would suggest that Labor have no credibility at all, given their record. I remember that, back in 1996, we came in expecting a surplus but we found a \$10 billion deficit. That really blows away any credibility that the Labor Party have with regard to having accuracy of budget figures. He talks about surpluses—again something which I suggest the Labor Party know very little about. You just have to ask his leader about the continual run of deficits he had in the time up until 1996. As for the windfalls that he talks about, I would suggest that these have come about through the very responsible economic policy of this government.

What we see here today, again, is the government delivering another surplus—\$1.5 billion. All of this money goes to continue to pay back the excesses of our predecessors. It is important that we continue to focus on the fact that since 1996 we have paid back some \$60,000 million of the Labor Party's multibillion dollar debt that we inherited. That means we are paying \$4,000 million a year less in interest bills. And it is that \$4,000 million of savings on interest that we are able to invest in a range of initiatives that benefit a very broad range of Australians.

One of the highlights of our budget was the acknowledgment that we were able to give to the contribution of those individuals who have taken it upon themselves to make sure that they are looking after themselves in

retirement. I refer back again to 1996 specifically because I recall that at that stage the threshold for paying tax was something like \$5,400 or \$5,600. We now have that threshold for a single individual at \$20,000—they can earn that much without having to pay tax. For couples it is \$32,612. I know that in my electorate that has been very warmly welcomed by my independent retiree constituency, as has the increase in the threshold for eligibility for the Medicare levy from \$13,550 to \$20,000. Also, the backdating to 1 July 2000 of the benefit with regard to the increase in threshold is something that has certainly been applauded.

The extension of the Commonwealth seniors health card to some of my self-funded retirees is another thing that has been greatly applauded. In many cases, Mr Deputy Speaker, as I am sure you would be aware, these people have, through their own thriftiness over time, been able to provide for themselves in their later years. In doing so they have really not drawn any more than the average pension, but they have found themselves to be severely disadvantaged in that they have not been able to access things, for example, like concessions for the telephone, which they can now do, as well as the health card and other entitlements that are available to your broader pensioners. It is also acknowledged that many of these people have additional costs. Many of them own their own homes, and have to pay their own rates and upkeep, so it is usually a real cost to them. To be able to pass on some of these benefits—not so much benefits as entitlements—shows that we do acknowledge and recognise those who are able to provide for themselves.

Health was another major beneficiary in this budget. There was an additional \$900 million to strengthen Medicare and the health system through providing better access to primary care service and boosting targeted funding for quality primary care to ensure safer use of medicine. We have also put forward a three-stage program for GPs. This is something that is very good. We are recognising the high incidence of asthma in our community, and we are providing fund-

ing that will assist GPs in being able to diagnose asthma much earlier, to develop a care plan and to review the plan with the patient, thereby minimising the risk of hospitalisation, particularly with our children. We are seeing an apparent increase in asthma.

The additional resourcing that we are putting into diabetes is also something that I particularly applaud. This goes a long way to building on what we already have been able to achieve. I refer specifically to my electorate. We have had funding to put dialysis machines into places like Weipa and Bamaga. I am hoping that in the near future we will be able to put one into Cooktown. There is a diabetes specialist, Dr Ashim Sinha, in the Torres Strait; he has made a profound difference to the health of Torres Strait constituents, who in the past have suffered a very high incidence of diabetes, which, sadly, in many cases, has led to very premature deaths. To see a focus on diabetes is also very good.

There has also been additional funding for cervical cancer and for mental health. Mental health is an area that I have spoken on in this House on a number of occasions. It is great to see that we are giving mental health recognition by additional resourcing, but it is an area that we need to continue to focus on, because there is still a lot we can do with regard to funding. There is a profound need for funding for mental health in our community.

There is funding for improving after-hours medical care—some \$43 million over four years. Another thing I see in the budget that will certainly help us up our way is the additional resourcing for health education and for nursing places. One of the things we were very fortunate to get recently—again an initiative of this government—was the medical facility at James Cook University at the Cairns and Townsville campuses. Remote tropical medicine, and in particular the initiative that will put more nurses through, will have a very positive effect in our region.

Another area is education. We often hear the debate with regard to public versus private from the other side and from their union

colleagues. We have another \$238 million over four years going into government schools. This represents a 42 per cent increase in spending on education since 1996. I can assure you that there is not one of the states that could claim to have anywhere near that percentage of increase over that period. It is important that the states start to have a close look at that, particularly in Queensland, where the unions have been running a campaign for quite some time. I thought it was rather disappointing. During the recent state election, I was astounded by just how silent they were. It is the state government that owns the buildings and in effect owns the public system in Queensland; yet there was not a single murmur from the teachers union in an effort to encourage the state government to improve their very poor performance in commitments to funding education in Queensland.

The continuation of the National Literacy and Numeracy Plan is an excellent initiative. Another initiative that I was very heartened to see in this budget was the Jobs Pathway program. That has been an outstanding success. It has been taken up by many of the schools in my electorate and has certainly made a great difference in focusing young people and assisting in getting them job ready. There was some speculation—some mischief—suggesting that it was a program that was likely to not be continued, but I have to say to you that there should have been absolutely no reason for any concern for a program that is as successful as the Jobs Pathway program is. It is something that I am sure will continue to deliver excellent outcomes for the students in my electorate.

Another initiative—and this again is an acknowledgment of the fine contribution that they made—was the one-off payment of \$25,000 for former prisoners of war of the Japanese, and also the extension of that payment to civilian internees and detainees, or to their spouses, should they themselves have passed on. That was a great initiative. It is things like that that come out of responsible management, in that by managing and budgeting as we did we had money available that we could start to pass on to some of

these groups. It is some 55 years later, and we are the first government that has actually acknowledged their contribution by giving them a payment, albeit relatively small for the amount of suffering that they had; nevertheless a payment in recognition of very special people.

Another area that I would like to touch on in the time that I have is road funding. The federal budget allocated \$62.5 million to local councils throughout Queensland as part of the Roads to Recovery program. This is in addition to moneys allocated to councils through financial assistance grants identified for roads. In effect, it almost doubles the Commonwealth's commitment to local authorities. It is important that we fund those directly through the local councils. In that way we can be assured that the money that is being spent is not siphoned off into the state coffers but goes directly into the local authorities. It would be great if we could encourage the state government to allow us to put the money straight into the state government schools, too, rather than have it filtered, I guess, through the state government. I am sure that would be one way of ensuring that the state government schools were also able to receive a greater share of the money that is being allocated through the Commonwealth.

Again, there has been huge neglect, I would suggest, over many years of our infrastructure such as roads, to a point where it has to be acknowledged that the local authorities are flat out maintaining many of the roads to existing standards, let alone building new ones. The Roads to Recovery program is certainly something that will see a turnaround in that. I would also suggest that, as we start to see the benefits of paying less and less interest on an ever-reducing government debt, the savings on the interest payments there could be invested in infrastructure such as roads. A good example of that is the Peninsula Road development in my electorate, which I am very keen to see at some stage in the near future being acknowledged as a road of national importance and, in doing so, having the opportunity of seeing some of the Commonwealth funds go to-

wards the \$165 million needed to upgrade that road to an all-weather road. At the moment, the road is closed for something like five or six months of the year, and it is a major problem with regard to health and economic impacts on the Cape York community. After five years of pushing the local state member and current Minister for Transport, Mr Bredhauer, a couple of days before Christmas he managed to put an application in for roads of national importance—unfortunately, not soon enough to be considered in this budget. If I were a cynic, I would have to believe that maybe it was done deliberately so that he could have a shot about not being successful. However, it is something where we need to put politics aside and continue to pursue that endeavour, because it is vital not only to the Cape York community but also to the northern community as a whole to see that all-weather road in the not too distant future.

Another great allocation we were able to announce was the additional \$15.3 million, I think it was, for the extension of the Torres Strait infrastructure program. The \$30 million that had been allocated over the past three years has made possible absolutely outstanding achievements in getting good quality water in all the communities in the Torres Strait, plus sewerage systems, and certainly a major catch-up on housing and other infrastructure. It is an absolute credit to Terry Waia of the Torres Strait Regional Authority for the outstanding work that they have done. I was pleased to see that our half of the contribution for the next three years has been committed, and I certainly call on the Queensland state government to match that \$15 million, so that they can get on with the work that they are doing for those 17 communities throughout the Torres Strait.

Another area that I would like to touch on is small business. I would say to you that small business has come out as a winner in this budget. Certainly, with the reduction of company tax from 34 per cent to 30 per cent and the fact that the financial institutions duty is going to be dropped, they are paying record low interest rates. I can recall running a business and paying 23 per cent under La-

bor. There may not be an allocation for everybody in this particular budget, but we cut up the Bankcard in 1996, and everything we have paid for is money in the tin. As money comes through the savings that we make, we will continue to pass those benefits on to a greater range of Australians. (*Time expired*)

Mr KELVIN THOMSON (Wills) (9.14 p.m.)—The centrepiece of this budget was a half-baked attempt by the government to say sorry to those older Australians, the pensioners and self-funded retirees, who have been so cruelly affected by the government's GST, that tax under which nobody—repeat, nobody—was going to be worse off. The government now acknowledges that tens of thousands of retired Australians have been made worse off as a result of the GST, and it has endeavoured in this budget to say sorry to them. Regrettably, the compensation lasts for one year but the GST goes on forever.

Compensation would have been a little more substantial if the government had not had to engage in a \$500 million bailout over the course of the next 10 years to cover policyholders who have been left stranded as a result of the collapse of the insurer HIH—the largest corporate collapse in Australian history. Since I spoke on this matter on the matter of public importance debate when parliament was last sitting, last Thursday week, there have been a couple of significant new developments. The first of those is that we have had the provisional liquidator's report, which is truly alarming. It estimates the losses at between \$2.7 billion and \$4 billion. It further states that reliable estimates of creditor payment outcomes will not be possible for at least a year and there will be a delay of two years before the first general dividend payment and a delay of up to 13 years before the final payment to creditors. That \$2.7 billion to \$4 billion makes this the largest financial collapse in Australian history. And it is clear that neither the federal nor the state bailout packages will adequately cover the losses now being faced by innocent HIH policyholders. The other thing that was very significant about the provisional liquidator's report was the statement that:

The very substantial losses are not restricted to the last nine months of the operation.

HIH did not sink suddenly. It was sinking for a long time. And those whose job it is to notice these things—the auditors, Arthur Andersen; the regulator, APRA; the Minister for Financial Services and Regulation—have a great deal of public explaining to do.

The second thing that has occurred since I last addressed the House on this topic is the collapse of One.Tel and some further focus on corporate governance issues. Indeed, today the Prime Minister said that the One.Tel directors Jodee Rich and Brad Keeling had a moral obligation to pay their million-dollar bonuses back to the company. But he could have, and indeed should have, made the same observation about the HIH directors who drove that company into the ground. According to the HIH 1999-2000 annual report, chief executive Ray Williams was paid a cool \$1.147 million in 1999-2000 for his great work in building up the company. Mr George Sturesteps was paid over \$770,000 in 1999-2000, Mr Dominic Fodera was paid over \$677,000, Mr Terence Cassidy was paid over \$671,000 and Mr Randolph Wein was paid a more miserly \$648,000. Mr Fodera, Mr Wein and Mr Cassidy are now reported to be claiming severance packages of up to \$1 million each. These failed HIH directors should withdraw their severance claims immediately. In all good conscience, they should not have accepted salaries of in excess of \$500,000 when their mismanagement of HIH will cost Australian taxpayers \$500 million and policyholders untold misery. Indeed, they should hand back this undeserved money.

The severance claims have the same status as other claims from unsecured creditors, including policyholders. As a result, if these severance claims were honoured, it could only be at the expense of HIH policyholders who have been innocent victims of the HIH collapse. Even before the royal commission, it is abundantly clear that the directors and senior managers of HIH and associated companies have managed to turn it into a billion dollar disaster, leaving taxpayers holding a \$500 million baby. So, in all good con-

science, directors and senior managers should now withdraw these claims. Whatever legal entitlement they may have, surely they have no moral or ethical entitlement to further HIH money.

When APRA was first established, Treasurer Costello said it would give Australia a stronger regulatory regime designed to better respond to developments in the finance sector. Indeed, this boasting continued for quite some time after the establishment of APRA and ASIC. But we can now see, with the release of the provisional liquidator's report, how the great financial managers of the Howard government will leave a legacy of a 10-year, taxpayer funded bailout to meet the worst insurance company collapse in Australia since Federation.

Labor also wishes to place on record some concerns about the bailout arrangements, however reluctantly entered into by this government. As things stand, we have a private company effectively being given a blank cheque from Commonwealth taxpayers to pay various unquantified amounts to an unspecified group of people under unknown criteria. There are questions about the accountability of this body to the parliament, the Senate estimates process, the Commonwealth Auditor-General and the departments of Finance and Administration and Treasury. Nor has the minister made clear to the public just how this private company will be accountable to the financial system regulators, such as APRA and ASIC. Clearly, we need to have appropriate accountability in relation to this body. Not only should the bailout processes of this private sector rescue vehicle be completely transparent but also the administrative and personnel costs must be scrutinised by parliament and the Auditor-General. In any HIH rescue, the taxpayer cannot afford a double whammy by having to pay exorbitant private sector level fees to managers or consultants. It is still the case that the bailout is being worked on without the involvement of the states, without the involvement of the opposition and without the involvement of representatives of the policyholders who are the victims of the collapse. As a result, victims still have no idea who

will be covered and still no prospect of a decent night's sleep. Indeed, I have talked with people who have filed for bankruptcy based on legal advice because they simply could not wait any longer for the government.

I regret that the government has not been interested in any bipartisan way of handling this matter. Back on 12 April, the day before Easter, I wrote to Mr Hockey, the Minister for Financial Services and Regulation, urging him to convene a roundtable of all the relevant parties to try to come up with a national solution to what was clearly an emerging national crisis. I said to him in my letter:

The Opposition would also wish to be invited to such a round table, and would be interested in working constructively in a bi-partisan way toward addressing the outstanding problems faced by victims of the HIH collapse.

I regret that the minister has never seen fit to respond to that letter and has not seen fit to involve either the opposition or the states, which clearly have an interest in this matter, in endeavouring to work out a comprehensive national solution. As a result, there are many cases—and many members of this House would be aware of cases in their own electorates—such as the family company Fresha Foods being served with a bill for \$600,000 from the Hilton Hotel in Cairns in relation to a claim against them which their insurers, HIH, saw fit to settle just prior to going into liquidation, and there are many other examples of hardship as a result of the way in which the government has handled this matter.

The other thing that we remain concerned about is the terms of reference of the royal commission. We have had an announcement by the government, under duress, of a royal commission. They said, 'We could not have a royal commission because that would politicise matters; that would get in the way of ASIC.' Then Labor said, 'A Beazley Labor government would hold a royal commission.' And, hey presto, we get a royal commission. But we still do not have the terms of reference, and we insist that these terms of reference go to things such as the action of Howard government ministers and the advice

given to them by APRA and ASIC, the government's handling of insurance industry regulation issues, including a review of the Insurance Act since 1998, and any role played by political donations in the HIH debacle.

The sort of thing that the royal commission ought to be looking at is the fact that the New South Wales Motor Accident Authority expressly raised with APRA the idea of appointing an inspector as early as October last year. The New South Wales Motor Accident Authority became very concerned about the state of HIH insurances. Its chairman contacted a senior APRA officer to raise with him the option of appointing an inspector, and APRA advised the New South Wales Motor Accident Authority that it would prefer that the Motor Accident Authority not send an investigator into HIH because APRA was working with the company and did not wish to have any 'pre-emptive activity' that might cause a loss of market confidence. Instead of the minister backing up APRA in relation to these things, he ought to be making sure that APRA is publicly accountable for what it did, rather than complacently accepting APRA's explanation that it did not wish to damage market confidence in HIH. APRA's responsibility is to protect consumers and policyholders rather than the share market.

I also indicate that we want close scrutiny of the issue of political donations. HIH's \$696,000 of donations to the Liberal Party, including a \$100,000 donation to the Free Enterprise Foundation, have become a matter of notoriety in recent days and weeks. The opposition also notes that support for the Free Enterprise Foundation was recorded in the award citation when Mr Ray Williams received an Order of Australia. Given that the Free Enterprise Foundation is an associated entity of the Liberal Party, we need an assurance that Mr Williams's support for the Free Enterprise Foundation was not a factor in the award of this Australian honour, and such an assurance is indeed vital to the integrity of the Australian honours system.

Another thing that the royal commission needs to be examining is the conduct of the auditors. In a matter of public importance debate a week or so ago I had a few things to say about the conduct of Arthur Andersen, the auditors; about how they were able to charge and receive \$1.7 million for signing off on books that said that HIH was \$930 million in the black—that is to say \$1 billion in the black—when it turns out that HIH was a cool \$1 billion in the red.

I also raise the issue about the conduct of others who get paid good money and who provide nothing of value in exchange for it. There is the question of the insurance brokers. They have been criticised for placing clients' business with HIH in recent years, despite what appears to be widespread concern about the company's financial position. The brokers say that they rely heavily on the opinion of independent agencies like Standard and Poor's. Mr John Richardson, the chairman of insurance broker Marsh said, 'We are reliant on external agencies to a substantial degree because the external agencies are in a privileged position in that they have access to confidential financial information.' So you wonder just what it is that the insurance broker Marsh are doing, what kind of value they are adding and what it is that they are getting paid for, because they say, 'Well, actually, we have to rely on the ratings agencies.'

The ratings agency Standard and Poor's representative, Mr Ian Thomson, said that the ratings agencies do not represent themselves to the auditors and go through all the contracts. He said that his organisation ultimately relied on information provided by management, along with actuarial reports and audited accounts, and that the challenge they have is that they rely on information from the company. Once again, you really have to ask yourself what it is that these people are getting paid for. Similarly, APRA have said that the ratings agencies' views and reports are part of a general mishmash of information that is out in the market 'that we certainly keep ourselves aware of'. So it turns out that all these organisations which are supposed to be offering some independ-

ent commentary on the status and standing of HIH in fact are not offering much of value at all.

Another area that the royal commission needs to examine is the transactions involving HIH and Home Security International, the Sydney burglar alarm company that Mr Rodney Adler and Mr Brad Cooper built up from a small operation. What we saw happening during last year was that, on the one hand, HIH decided to write down its holding in HSI from \$50 million to zero as at 30 June 2000 and, on the other hand, it released that information on 14 September 2000. Notwithstanding that very pessimistic assessment of HSI's prospects, what HIH managed to do over a six-month period from April was to pump something like \$40 million into this company, which is now delisted. On 11 April 2000, the day that Mr Adler joined Home Security International as chairman, Home Security International announced that they had received an infusion of cash from HIH, which was buying a half-share in FAI Finance Corporation from Home Security International. On the one hand the HSI accounts say that HIH paid \$13.4 million for the stake and lent another \$5 million but on the other hand, according to the *Financial Review*, if you look at the HIH June 2000 accounts, you will see that they say HIH paid \$25½ million. So HSI accounts say one thing and HIH accounts say another. Further to that, we found HIH agreeing on 29 September to buy half of the subsidiary company, Ness Security Products, from HSI for \$17.5 million and also agreeing to lend a further \$2.5 million later that financial year. It is a pretty extraordinary transaction to be putting that kind of money into a company which HIH had already written down as being of no value. That is precisely the sort of thing the royal commission ought to be investigating.

The other issue that Labor wish to return to is the question of an insurance industry contribution. I set out in the House last Thursday week five reasons why we believe that an insurance industry contribution is appropriate. One of the things that the insurance industry says is that it is not appropriate to make the good companies pay for the bad

ones and that that is not the way things work. But indeed in a number of areas where people are required to put out money well in advance of a service being provided, you see precisely these sorts of operations and arrangements in place. For example, you see them in the area of superannuation, where there is a capacity to levy the funds where theft and fraud have occurred in order that fund members not be disadvantaged. You see them in the area of travel agents—funds to protect all consumers if some travel agencies go broke. You also see them in the area of bookmakers. For example, in New South Wales country bookmakers are required to acquire outstanding betting debts on behalf of others if one of their own goes belly up. The New South Wales Bookmakers Cooperative Ltd schedule illustrates precisely this point—that bookies all across the state are required to cover each other, so that concept of industry contributions is not unprecedented.

We do not suggest for a moment that this should be a means by which directors or auditors are allowed off the hook. We are adamant that any government or insurance industry payments to HIH policyholders are accompanied by an assignment of the legal rights against directors and auditors and that those rights are pursued to the letter. These are things which the government ought to be acting on and, once again tonight, I urge the government to act on those outstanding issues in relation to the HIH collapse and to belatedly display some of the national leadership which has been so conspicuously absent from their handling of this matter to date.

Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Education, Training and Youth Affairs) (9.34 p.m.)—In addressing **Appropriation Bill (No. 1) 2001-2002** I note that some have seen the 2001-02 budget as a budget for older Australians. I am pleased that those who have contributed so much to our country have been recognised and have benefited from a social bonus. This has only been made possible because of the Howard government's careful management of the economy over the past few years.

However, some members of the opposition are trying to make out that this is a budget only for older people. I see it differently. This budget benefits all Australians in a variety of ways. As a small business operator in my electorate said to me, it is a budget full of hope and encouragement. Personally, I think that this is a very important budget because it helps secure our future and the future of our children.

This is the government's fifth consecutive budget surplus. As the Treasurer pointed out, as we pay off the debts—as we get the debt monkey off our back—we save on interest payments. Today the government's interest bill is \$4 billion per annum less than it was under Labor. That \$4 billion of savings can be invested in better things, like health and education. Back in 1995, the Commonwealth spent the same on interest payments as it did on schools and hospitals. It spent nearly as much on interest payments as on defence. If the government are re-elected, we can continue with the sound management that will allow the government debt to be repaid by 2003. That would be the first time our country would have been free of debt since Gough Whitlam was elected Prime Minister.

I am pleased that this budget provides record funding for government schools with an estimated additional \$238 million being provided over five years. Contrary to union and Labor Party rhetoric, the Howard government has no agenda to expand the non-government sector at the expense of government schools. The government is leading the way in financial support for government schools. Commonwealth spending on government schools is at the highest level ever.

For the sixth budget in a row, school funding has increased. Every state and territory has received increased funding every year from the Howard government for their government schools. Commonwealth funding for Australian schools in 2001-02 has risen by six per cent over the last financial year. Over the next four years, the Commonwealth will spend \$25 billion on Australian schools. Funding of government schools increased by 42 per cent between 1996 and

2002, yet student enrolments in government schools have increased by only 1.4 per cent.

This government recognises the importance of literacy and numeracy. The federal government provides funding of \$36.9 million for literacy and numeracy over the next two years, with further provision of \$99.5 million up to 2005. It is good to see the commitment continue, as there has already been a 13 per cent improvement in the reading abilities of year 3 students across the country. I am delighted that the government and non-government primary schools in the Adelaide electorate will receive nearly \$160,000 over four years to purchase books written by Australian authors or published in Australia. This federal government grant recognises and supports the Australian literature industry. Twenty-four million dollars has been committed to fund literacy and numeracy training and career counselling services for people on income support.

Two recent examples of federal government support for schools within the Adelaide electorate are the North Adelaide Primary School and St Margaret Mary School at Croydon Park. I congratulate the community of the North Adelaide Primary School on the successful outcome of their redevelopment proposal, for which the federal government provided \$800,000—nearly one-quarter of the total cost. This joint venture between the federal and state governments and the North Adelaide Primary School community will create a learning environment which will meet the needs of today's students as well as those of future generations. The tender call will close at the end of this week, and commencement of work is anticipated soon afterwards. It gives me great pleasure to have been personally involved in the efforts to achieve the restoration and development of this historic landmark and important learning centre.

It was also my pleasure recently to officially launch the redevelopment of St Margaret Mary School in my electorate. The Commonwealth government contributed a grant of \$601,000, which was the total cost of the third stage of the school's master

building project. It will provide the school with greater scope to meet students' needs in the 21st century. These school building projects are just two examples of the hundreds of capital projects in Australian schools supported by the Commonwealth government each year, with funding of over \$300 million per annum. For 2001-02 the Commonwealth government is committed to providing \$5.9 billion for schooling—an increase of \$348 million, or six per cent, over the previous year.

The principal of the Rosary School in Prospect has asked me to convey his thanks to the Prime Minister for the \$1 million the school receives each year from the Commonwealth government. I recently had occasion to visit the Rosary School to present the school with a certificate marking the Centenary of Federation and with a new flag. It was an assembly on a Friday morning, and it was a great start to my day. I congratulate Mr West's year 4 class on the pupils' wonderful re-enactment of the story of the Australian flag and how it all began with Federation. Sir Edmund Barton, Cathy Freeman, Sir Donald Bradman, Gallipoli veterans and many other notable Australian characters were brought to life by the girls and boys of Rosary primary school. The students of this school and of the numerous other primary and secondary schools in my electorate are very fortunate in the quality of education they receive.

I am pleased that this budget adopts a preventative approach to chronic health conditions such as diabetes, asthma and mental illness, all of which have received significant attention and funding in this budget. Asthma is an inflammatory disorder of the airways that affects up to two million Australians, including one in four primary students and one in seven secondary students. This budget provides funding of \$48.4 million over four years to establish a three-stage program for GPs for early intervention and diagnosis of asthma. It will include developing a care plan and reviewing that plan with individual patients over at least three visits. This initiative will build on the Asthma Friendly Schools Project, a major health and education initiative which is funded by the Com-

monwealth government and which I recently launched in South Australia at the Black Forest Primary School.

The federal government has provided \$1.2 million for the project over two years as part of the National Asthma Action Plan, for which \$8 million over three years has been earmarked. A school or college will be designated as 'asthma friendly' if strategies are adopted that work towards actively supporting the whole school community in the management of asthma. I congratulate the Black Forest Primary School community for working towards becoming one of the first asthma friendly schools in South Australia. We aim to reach 25 per cent of the 10,000 primary and secondary schools in Australia within the first two years, and all schools in metropolitan, rural and remote areas of Australia within three to five years. This program will help save the lives of children by providing teachers with the basic knowledge to assist students and to manage an asthma attack at school. As the mother and sister of asthma sufferers, I know first-hand the importance of this project. Parents and students alike will feel more secure in the knowledge that proper care and understanding for asthma sufferers will be provided at school and that appropriate action can be taken in the event of an emergency.

This budget also provides \$49.8 million over four years for a national diabetes program for the prevention, diagnosis and management of diabetes. Improving the quality of care for those suffering a mental illness is also an important feature of this budget, given that studies have shown that approximately 18 per cent of men and women suffer from some kind of mental disorder. Over four years \$120.4 million will be provided to educate and train GPs on mental health issues and to support GPs in delivering quality mental health care, thus helping sufferers who so often feel isolated and alienated by their illness.

I recently launched the Commonwealth Carelink centre in the north-western metropolitan Adelaide region. In the past, there was no easy way for many older Australians

and their families to get in touch with agencies providing community care or residential aged care services in their local area. The federal government is spending \$32.8 million over three years to implement the Commonwealth Carelink Program, with \$2.9 million for South Australia. More than 60 Commonwealth Carelink centres have been established in 54 regions around Australia, including four in South Australia.

The Commonwealth Carelink program assists older Australians to easily find the information they need about community and other aged care services in their local area from a central source, where they can get useful information without having to navigate a maze of service providers. The Commonwealth Carelink program 1800 number will be a vital link between older Australians and the wide range of services that are available to them to live at home and remain independent. Sometimes timely information and assistance can make all the difference for older Australians when it comes to preserving their independence.

I congratulate the Seniors Information Service and the Wesley Uniting Mission in Adelaide on their selection to provide the Commonwealth Carelink centre in the north-west metropolitan region of Adelaide. As a former member of the House of Representatives Standing Committee on Community Affairs, which inquired into our home and community care programs, I am delighted to see this come to fruition, because it helps people find and access the services that they need.

I am pleased to see that this budget continues the government's commitment to aged care. During the 13 years of Labor government, the quality of nursing homes was allowed to deteriorate. The industry was in desperate need of capital for upgrading existing homes and building new ones. Since coming to government, total funding for aged and community care has grown from \$3 billion to a budgeted \$5.4 billion next year—2001-02. That is an increase of 77 per cent.

The Howard government continues, on a number of fronts, to tackle the problem it inherited. Funding for residential aged care will increase substantially. Nursing home standards will continue to improve. Ten million dollars will be spent on monitoring nursing homes and conducting spot checks. The Community Visitors Scheme will expand to enable more volunteers to provide companionship and social support. Enabling frail older people to continue to live in their own homes also continues to be a priority.

The challenge of meeting the needs of an ageing Australia is enormous. The delay between funding and approvals for new homes and beds being available can be very distressing. However, I believe that significant inroads have been made since coming to government, and I am confident that this government will continue to invest in the needs of older Australians.

The sum of \$1.7 billion has been provided in this 2001 budget for a new strategy which extends the Work for the Dole program to help those of working age move from welfare to work. Recently, I presented a Work for the Dole 2001 achievement award to the ComNet project, which was sponsored by Workskil Inc. in Adelaide. This project is an excellent example of Work for the Dole in action, with wonderful results. The participants in the project completed a training program incorporating webpage design, networking, and software and hardware troubleshooting. They also gained skills in administration, marketing, customer service and communication. Following this training the participants provided IT support to community groups including schools, sporting clubs and environmental groups. Speaking to the participants after the presentation, I could not help but notice their genuine enthusiasm for the program and the obvious personal benefits and skills that they felt they had gained. The Work for the Dole program gives job seekers real work experience, which can have only a positive impact on their lives. As a result of the training and experience received under the program, I am pleased to say that three participants have gained em-

ployment in the IT industry and four participants have started their own consultancy.

Recently, I helped to commemorate a special milestone in the proud history of the South Australian film, video and multimedia industry, with the opening of new state-of-the-art production facilities in Kent Town in my electorate. The Kojo group are a real South Australian success story, beginning with traditional film and television production. They now have some of the best facilities and technical staff in Australia. The new facilities represent an investment of \$3 million, and I am pleased to say that the federal government's Rail Reform Transition Program provided \$100,000 of this investment to assist the Kojo group to purchase new equipment and employ an additional 20 full-time equivalent staff over a four-year period.

The Rail Reform Transition Program was established to compensate for job losses that occurred as a result of the sale of Australian National. To date, over \$7 million has been approved for 26 projects in Adelaide, creating approximately 700 full-time and part-time jobs, which is more than the jobs lost in that particular area at the time of the sale of Australian National. The program has assisted the development of new industries, which has created sustainable employment and attracted investment in the affected areas. Important new industries that the Rail Reform Transition Program has fostered include information technology, biotechnology, food processing, engineering and recycling. All of this is good news for the individuals and the companies concerned and certainly good news for South Australia.

The Commonwealth seniors health card has been extended to all pension age Australians with an annual income of up to \$50,000 for singles and \$80,000 for couples. This means that another 50,000 Australians will be eligible to pay only \$3.50 per prescription for their first 52 prescriptions. The telephone allowance has been extended to all Australians who qualify for the Commonwealth seniors health card, saving all Commonwealth senior health card holders \$17.20 a quarter, or \$68 a year. For too long Austra-

lia's self-funded retirees were penalised for being self-reliant and saving for their retirement. Under Labor, self-funded retirees earning the same income as pensioners paid more tax than pensioners.

In 1996, the Howard government introduced the low income aged person's rebate to put low income self-funded retirees on a level footing with pensioners. The low income aged person's rebate has now been increased. There has been an increase in the tax-free threshold to \$20,000 for single persons and \$32,612 for couples on the same income. This could mean a saving of \$75 a week for some couples. Nor will they have to pay a Medicare levy up to those levels of income.

Superannuation assets are now to be exempted from means tests for people aged between 55 years and pensioner age. This is just one measure that counteracts the furphy of the detractors who say that there is nothing in this budget for those nearing, but who are not yet at, age pension age—besides which we are not about to take away the benefits that we have just introduced before self-funded retirees now in their fifties are able to reach pension age. The only way that these benefits can be withdrawn is if the Labor Party is elected and takes them away.

The government's environment initiatives are good for Australia and very good for South Australia. We are delivering record levels of funding towards the environment, with \$1.62 billion being allocated in this budget alone. Of particular importance to South Australia is the commitment of \$700 million over seven years towards tackling salinity and water quality issues, to be matched by state governments. The River Murray is vital to Adelaide. We must prevent the Murray waters from becoming so saline they are undrinkable. The funds committed in this budget will ensure that we have a chance to do that.

Local communities across the country will benefit from our investment of a further \$1 billion in the Natural Heritage Trust, enabling Australia's largest ever environmental rescue effort to continue for another five

years. This means that groups such as the Conservation Council of South Australia, based in my electorate of Adelaide, which recently received a further grant of more than \$90,000 to continue its work, can carry out localised, community based, vitally important environmental projects that improve our standard of living and ensure that our precious surroundings will be preserved for future generations.

I conclude by taking this opportunity to acknowledge some sporting achievements of my constituents. I congratulate the Broadview Tigers for snatching the Trish Worth Cup from traditional rivals the Kilburn Knights in an exciting pre-season amateur league football match and offer my very special congratulations to the Prospect Cricket Club, which this year won the district premiership after 30 years of trying. It was a wonderful achievement that I know will be celebrated by its members for some time to come.

Mr MARTIN FERGUSON (Batman) (9.54 p.m.)—I rise to speak on the [Appropriation Bill \(No. 1\) 2001-2002](#). I think it is fair to say that once a year the budget presents the Commonwealth government with a chance to take stock, establish aspirations and outline a plan to achieve those aspirations. It is also a time when the government should set out a statement of values in association with a time to be honest with Australians about how those values will be reflected in policies. On this occasion I simply say that the budget falls well short of the mark. For that reason, I very much support the second reading amendment moved by the shadow minister for finance and seconded by the member for Canberra.

If you actually go to that second reading amendment, you will clearly see that the issues I raise this evening in criticising the Howard government's budget are clearly reflected in the second reading amendment before the House. In essence, that goes to suggestions that, rather than being about the forward agenda—such as our requirement as a nation to significantly invest in our needs of education and health or, alternatively, do

something for struggling Australian families—this budget is about one thing and one thing alone, and that is about trying to clean up the mess of the Howard government's GST. For those reasons, I commence with a discussion of the fiscal position that the member for Leichhardt finds so funny and the economic climate in which the budget has been delivered.

As many Australians appreciate, our national economy has been robbed by the Howard government and their GST. The budget papers establish this beyond any doubt. The GST has clearly been bad for the economy, bad for business and bad for jobs. It has managed to send investment and employment into reverse and contribute to higher inflation; therefore leaving many Australians feeling worse than they had previously felt. If I were a member of the coalition government, I would not be proud of such achievements. I know that might be the approach adopted by the leadership of the Howard government, but when you actually talk to members of the coalition backbench they appreciate that many of the issues raised by this side of the House in the debate concerning the budget and in support of the second reading amendment moved by the shadow minister for finance are issues that are of grave concern in the Australian community.

Let us take, for example, the impact of the Howard government and the GST on one part of the economy, the small business sector. As we all accept, our small business sector is the driver of jobs in our economy. But their problem is that they have been crippled by a tax that has, firstly, robbed them of precious time better spent growing their business and, secondly, taken away precious time that they would like to spend with their families.

Low income earners—the real battlers, as Mr Howard, the Prime Minister, used to describe them—have been clearly left high and dry. They are saying to me as I frequently travel around our regional communities and rural and remote Australia that they have had a gutful of the Howard government and that

they will never trust the Howard-Costello-Anderson leadership again. It is for that very reason that we see also embodied in this budget an endeavour, in a very deliberate and dishonest way, by the leadership of the coalition government, in an underhanded and, I suppose, short-sighted manner, to try to buy back the votes of older Australians. But in doing so they are in essence saying, 'We treat you with contempt, because we have come to the conclusion that if we offer you, for example, \$300 rather than the \$1,000 we promised you as compensation before the last election then you will come flocking back to us.'

In a recent shopping centre stall I conducted in my electorate of Batman, these very senior citizens, who have done so much to contribute to the building of Australia as a great nation, simply said to me: 'Mr Ferguson, we can't be conned. We can't be tricked. Our votes cannot be purchased by the short-sighted endeavours and the dishonesty of the Howard government's recent budget.' In many ways those sentiments are being articulated across many electorates, both coalition and non-government electorates, around Australia at the moment. That is the reaction of the electorate at large, because they have seen that the budget really reveals all that is wrong with the Howard government.

But just think about it. This is the last budget before the next federal election, and what do we have? We have Australia entering a new century with a new tax, a tax that has sent our economy into reverse and a tax that has increased the gap between the haves and the have-nots—and we know whose side the Howard government is on: the haves at the top end of town. Australia has entered the new century with a government that is out of touch and out of vision and soon will hopefully be out of time.

Liberal-National Party members come to this House on a regular basis and have the indecency, I suggest, to claim that this new tax is more important than investing in our people and their ideas, which is suggested to be our number one requirement by the sec-

ond reading amendment moved by the shadow minister for finance this evening. This is the new tax that the Prime Minister, the Deputy Prime Minister and the Treasurer decided was more important than strengthening our regional economies and creating jobs in our regions. Worst of all, this tax has battered the confidence of those very people in the community who try to get things done: small businesses, community groups, charities and the like—the little people who actually desire to stand up and do something for the have-nots in the Australian community, the people who really know what struggle town is about rather than the people the Prime Minister, the Deputy Prime Minister and the Treasurer rub shoulders with on a regular basis at the top end of town. As a country, we have never been afraid to play above our weight. We have a proud history of getting on with the job. But as I travel around Australia people tell me that this government has robbed them of their ambition and robbed Australia of its ambition. I simply say that that is tragic for individuals, their families and their community at large and, more importantly, for Australia as a nation.

While this budget is about cleaning up the mess of a GST that nobody wanted, I also suggest to the House that the Prime Minister and the Deputy Prime Minister have failed to do their job. I say that because I do not consider that the budget is about investing in the future. In essence, the budget is about pork-barrelling with an eye to the next election, without any vision or long-term commitment to actually invest in Australia's future as a nation. It is also not about standing up for the have-nots in the community, the most vulnerable in our society who require leadership and a willingness by the Commonwealth government to actually invest in bread-and-butter issues, such as health, education, training and jobs. They are the very battlers for whom in 1996 the Prime Minister said that he was going to deliver, but when you actually go through the detail of the budget they are the very people who have been duded and short-changed in the discussion before the House this evening.

Irrespective of the backflips we have had in the endeavours by the Howard government to buy a few votes as a result of this budget, people have seen through those very backflips. Be it on petrol prices, the prices of beer or the business activity statement, people out there on the street understand a con when they see a con, and they also understand con men when they see con men. They see the budget as a con, delivered by con men and women who do not have an understanding of the needs and aspirations of ordinary people in the Australian community. It is for that very reason that people are saying that they expect the Australian government to be fiscally responsible but to also have an eye for the main game and our requirement as a nation to actually invest in our future. For that reason they have also said—and it is reflected in the polls—that, yes, there is a requirement from time to time to review the system of taxation that exists in Australia. But they have also said that we as a community must understand that in facing up to our responsibilities on the fiscal front our last responsibility must be to not deliver to the top end of town, as the Howard government did, but to make sure that the biggest benefits for the purposes of offsetting the impact of the GST do not go to the rich instead of to the battlers. I suggest that the tax cuts for the corporate sector do not offset the challenge that has been forced on the charities.

The Howard government, as well as short-sightedly ripping off the Australian community by failing to invest in our intellectual infrastructure, our education and training system and our health system, has confirmed in this budget that our largest national company, Telstra, is to be sold. Once again, what is that about? It is about putting profits before people. I am not surprised, because I remind the House this evening that not that long ago the current Minister for Defence, in a debate about workplace relations, stated in very black-and-white terms where the coalition government stood in the debate about fairness and equity in the Australian community. I remind the House that he said this:

Never forget the history of politics and never forget which side we are on. We are on the side of making profits.

People will not forget the lessons that are being learnt by putting trust in the Prime Minister, the Deputy Prime Minister, the Treasurer, the Liberal Party and the National Party. Australians, contrary to what those I mentioned believe, actually believe in a fair go. They see a need for decent values and they believe that all Australians—irrespective of where one lives, irrespective of whether one is employed or unemployed, irrespective of which school one went to—should get a fair crack at life. But time and time again this budget reminds those in the Australian community that, if you went to one of the elite private schools represented on the coalition government front bench, you will do all right under the Howard government, but, if you came from struggle town, do not expect any assistance through investment in health and education in an endeavour to create jobs from the Howard government's processes.

I also remind the House that one of the real tragedies of the Australian political system is that we have a Deputy Prime Minister who likes to go around Australia claiming his political mission is to meet the ordinary expectations of country people. I suggest that rural, remote and regional Australians have finally come to the conclusion that, yes, the Country Party once had a desire to stand up and to struggle to better represent people in rural, remote and regional communities, but this budget proves yet again that the National Party is merely a tail on the coalition dog, that it is unable to stand up for the country and that its days of struggling for those who live in rural, remote and regional Australia have long gone. That is clearly reflected in the government's announcements on regional development, regional services, transport, health, education and job programs, to name just a few areas of Commonwealth government responsibility.

Let us take the issue of regional development as an example. I believe the truth is that many regions of Australia are missing out at the moment and that people are missing out

simply because of where they live. The Howard government are currently running around the country trying to convince people that they have rediscovered regional development, having abolished the Office of Regional Development after their election in March 1996. They then started talking about programs going to regional information, best practice, regional leadership development and support for development projects—the types of issues spoken about at the regional summit in late 1999. The problem is, when you go to the budget and all the associated announcements across the Transport and Regional Services portfolio, you do not really find any leadership or vision with respect to those issues and these changes in government policy that can make a change for the better on the ground in regional Australia. I will tell you what you do find: no vision and no statement for the future, but when you go into the detail of the Senate estimates processes that are available to senators, you find the real trick in the budget processes. As usual, it is hidden in what is not said rather than in what is said.

I draw the attention of the House to a question posed by the Leader of the Opposition in the House of Representatives question time this afternoon about the Regional Solutions Program. In the last couple of years, the government has been running around Australia telling country people that it has a wonderful Regional Solutions Program which is not about pork-barrelling but is about helping all Australians, especially those in difficulty in rural, remote and regional Australia. In this budget, we find an amount of \$12.6 million allocated to regional solutions projects across this country. But surprise, surprise! Despite the fact that a few months ago the Prime Minister stood in this House, morally outraged at the suggestion that the Regional Solutions Program would not be used for pork-barrelling, the moral outrage has gone. It was confirmed in question time today. We have discovered that, of that \$12.6 million allocated to the program in this year, one seat and one seat alone—the seat in which the Minister for Agriculture, Fisheries and Forestry finds himself in diffi-

culties at the moment because of the ongoing onslaught of One Nation—is to get \$4 million of the \$12.6 million which is available for regional solutions activities. Fair is fair: there are a lot of other seats in rural, remote and regional Australia which also require a helping hand. There is one thing which this government proves time and time again. As the former Deputy Prime Minister Mr Fischer said in his recent book, ‘We’re about pork-barrelling and we are excellent at it.’ Question time clearly confirmed that with respect to the use of the Regional Solutions Program money in the seat of Wide Bay.

There is a range of issues that I could touch on going to regional services and associated unwillingness by the Howard government to look after regional Australia. What that detail says is: we know where we are going as a coalition government. We will continue to knock around, as the Deputy Leader of the Liberal Party, Mr Costello, and the Prime Minister do in places like Kirribilli and Kooyong, but we are not actually concerned about cleaning up the GST mess in seats beyond those more salubrious suburbs. That is why, Mr Deputy Speaker Nehl, you and I know—I understand you are departing this House at the next election—that people in rural, remote and regional Australia have had a gutful of the deceitfulness and dishonesty which is embodied in the budget papers before the House this evening. As to trickiness, there was another prime example of this.

In passing, I go to black spots funding. It has been suggested in this budget that \$48.846 million is available for the black spots program in the next financial year. What is not spelt out is that \$6.7 million of that money is money not spent in the last financial year. I believe that the program is of great value to the Australian community and that it ought to be reconfirmed for four years rather than for 12 months. In essence, I simply say that I do support very much the second reading amendment moved by the shadow minister for finance, Mr Tanner, who clearly says, in essence, that the real test of this budget is how it makes life easier for those Australians who are doing it tough and

how it provides opportunities for all of us. The question to be answered by the government in response is: how does this budget improve the quality and the ability of our economy, how does it improve the quality and ability of our people and how does it improve our capacity as a nation to adapt to change? This budget fails on those counts. It does not offer the Australian community any vision or hope for the future; it does not offer those who are doing it tough skills for their future and it fails to deliver capacity to our regions. (*Time expired*)

Mr BAIRD (Cook) (10.14 p.m.)—It is my pleasure to rise tonight in support of the **Appropriation Bill (No. 1) 2001-2002** and also to commend the Treasurer for the outstanding job that was done in relation to this year’s budget. I listened to the member for Batman and his claims that his party are about looking after the battler, not the top end of town. Of course, we well remember the close relationship between the Labor Party and the Alan Bonds and the Christopher Skases of this world—they seemed to be very firmly attached to that group of people when they were in government. I heard him say that they are about providing a fair—mixing his metaphors somewhat—crack at life for the average battler. This in fact is what this budget is about—a fair crack of the whip or a fair crack at life, to use the member for Batman’s terms.

Through this budget the government has achieved a continuation of the whole reform program undertaken by the Treasurer and the government, the continuation of \$12 billion of personal tax cuts. That is what it is about in terms of helping the average battler—reducing his tax bill. It is also about reducing interest payments. We can look at what the interest rate was under Labor and what it is now: the home mortgage interest rate is now 6.8 per cent; under Labor it was 10.5 per cent—it in fact went to 17 per cent under Labor. That is what it is about—helping the average battler. Inflation is now 2.1 per cent per annum; under Labor it was 5.2 per cent on average and it went up to 11 per cent. In terms of unemployment, the forecast average is seven per cent under this government; un-

der Labor it was 11.2 per cent in December 1992. There have been 100,000 new jobs created. The member for Batman mentioned himself that we should be about creating new jobs. Compare the record of this government with the record of their 13 years in government and it is very clear that this government creates the jobs, this government reduces the interest rates, this government reduces the level of government debt overall, this government allows the average battler to meet their home payments, and this government assists them more equitably.

Of course, it is this budget that assists the older members of our community who have made this country strong. Since the time of Federation we have had a group of individuals in this country who have worked hard and who have made this country more affluent. Now that many of them have gone into retirement, this government is recognising the contribution they have made and is reducing the tax burden on them. In my electorate I have over 20,000 people in the over-55 category and I certainly know that they are very grateful for the changes that this government has made. The \$300 means a lot to the average pensioner and it has been well received.

Mr Fitzgibbon—Ha, ha!

Mr BAIRD—The member for Hunter might have his own interjection but, in going around the electorate of Cook, it has been well received. For the self-funded retirees, the threshold of \$5,400 before tax cuts in has now been increased to \$20,000. For couples it is \$32,000 going up on a tapered basis to \$38,000. Certainly, in my electorate, this assistance to independent retirees is well recognised. The Labor government, when they were in office, ignored this particular group of people, as can be seen by the tax threshold of \$5,400.

This government is recognising the challenges that face independent retirees and, regardless of where they sit in the economic spectrum, it is this government that is giving them considerable assistance, not only in terms of changing the threshold but also in terms of a range of other measures. For the

health card, the provisions have been changed to \$50,000 for single individuals and \$80,000 for couples. Assistance with telephones has been provided. Negotiations have begun with state governments, which of course are going to open up a range of special incentives for older people—self-funded retirees—in relation to issues such as RTA licences, electricity charges and interstate rail trips, et cetera. I was proud to be part of a government that introduced low fares on the suburban network in New South Wales, and that is what we are seeing continued under this government.

Of course, it is important to recognise that this government has also been a great plus for the business community. The fact that it reduced the taxation level last financial year from 36c in the dollar to 34c in the dollar—and, as of 1 July, that rate reduces to 30c in the dollar—is a great boost for the business sector and the corporate sector. It provides real incentives. That is in addition to the other incentives they have received—the halving of the capital gains tax and, of course, the special initiative of this government in allowing input tax credits for new vehicles that are purchased. That has been warmly received by small businesses in my electorate. They see the government as providing real incentives. In my electorate, I have a number of companies that are producing for the international market. Those people who are exporting have no taxes on them now. In the past they had the wholesale sales tax, which put their prices that much above other countries when they were competing overseas. Now that has been taken off. The GST does not apply when they are competing overseas, and that has been warmly received and welcomed.

I welcome the incentives that are in this budget in terms of two key areas in my electorate. The first is small business, which makes up a significant sector of the business community in this country, makes the economy strong and shows the entrepreneurial drive and the talent in this country. Small businesses are being provided with real incentives in terms of the tax rates that have been so significantly reduced in this budget

and that are being warmly welcomed and received. Secondly, I welcome the incentives for self-funded retirees and pensioners.

This budget is also about the macroeconomic parameters on which the budget has been based and from which it has been developed. This is the sixth consecutive budget that we have seen the Treasurer bring down, and all of them have been surplus budgets. There is \$1.5 billion surplus in this budget. Let us compare the track record of the Labor government when it was in office with the record of this government. The Labor government racked up some \$86 billion in debt when it was in power. By the time 1 July comes around, this government will have repaid \$60 billion of that debt. That is a fact that resonates very much with the people in my electorate. I have been getting around on Saturday mornings, having community consultation. People repeat to me how much the Labor Party set up the level of debt in this country. What do the repayments amount to each year? The sum works out at some \$8 billion per year that we are using to just repay the debt that the Labor Party incurred. Imagine what the situation would have been if the Labor Party had continued in office for the past five years. There would have been a further escalation in the debt. That additional \$8 billion to service the debt every year has gone into hospital construction, into school construction, into supporting state governments and into our own programs. It has been used for assistance to pensioners, for assistance to welfare recipients, in establishing Work for the Dole schemes.

They are the initiatives that we are able to undertake because of the way in which this government has run surplus budgets. We have not run the country into debt. The previous government used to spend in an indiscriminate way, without any regard to the future, as if there was no tomorrow. It was just a whole manana complex—just spend and somebody will pick up the debt in the future. It was this government that picked up that debt—that repaid \$60 billion of it. We are the beneficiaries of the fact that we can save some \$8 billion of interest each year. That

amount is a huge plus, and we can see that in the way it has been received.

The benefits are not only in what we have in extra spending. Mr Egan and Mr Carr, when they brought down their budget, were able to remove the BAD tax. Why was this? Because of the increase in funding they had from the GST. As they plan and forecast their receipts, their cash flow, it is this growth tax through the GST that allows all these benefits to be achieved—the new hospitals, schools, roads and police stations that are being built throughout this country. The beneficiaries of the government's GST are the state governments. This is often overlooked. It is a great achievement that we can develop these programs and assist business by the reduction in the corporate tax rate, and at the same time can increase the amount going to the state governments. And, of course, the fact that we can look after our self-funded retirees and our pensioners at the same time is most important.

Mr Beazley and his colleagues talk about roll-back without specifying what they are going to roll back at any point. I thought the shadow Treasurer's performance on the *7.30 Report* in the wake of the budget was particularly interesting. The exchange ran as follows. Mr Crean said:

... on the question of the pensioners and the \$300, Kerry, why couldn't the Government have gone the full distance in its broken promise and given the \$1000? Clearly, they could have afforded it this year because they've got a surplus of \$2.3 billion and to instead of just give \$300, give the full \$1000 that they were promised. They could have afforded it.

Kerry O'Brien said:

... it's easy for you to say that from Opposition, but of course you're also saying at the same time as they're spending all their money to leave nothing in the bank for you. You can't have it both ways.

Simon Crean said, 'Well, no.' Of course, that is the whole key to the matter. Those opposite go around the countryside saying, 'We'll spend this. We'll give you back that.' I can see one of the shadow ministers at the table. They say to the restaurant and catering people, 'We'll take off the FBT for you. We'll

do this. We'll do that.' He was not quite so sure when he was confronted with the facts on that.

Mr Fitzgibbon—You've been talking to Teresa Gambaro.

Mr BAIRD—We have our sources. Those opposite have been going around and saying, 'We'll take off the FBT. We'll do this. We'll increase the surplus for you.' But in fact the reality is that there is very little that you plan to roll back. In terms of taxation—

Mr DEPUTY SPEAKER (Mr Nehl)—The chair does not plan to roll anything back.

Mr BAIRD—Thank you, Mr Deputy Speaker. Of course, the member for Hunter knows exactly what I am talking about in terms of the plans. It is very easy for those opposite to go around, as they listen to every interest group, and say, 'We'll certainly fix your problem for you. We'll reduce the tax for you. We'll give you \$1,000—let's make it \$2,000—for every pensioner. Why not make it \$5,000? And we'll have a bigger surplus. We'll be much more responsible.' Just look at your track record. Look at your track record in terms of small business. Look at your track record in terms of independent retirees. Look at your track record in terms of pensioners. You will clearly see that your credibility is somewhat lacking. Of course, the taxation cuts that you promised, which became l-a-w, did not eventuate at all. The whole myth of roll-back and what you are going to achieve through this whole magic pudding exercise is not borne out in reality.

The Treasurer, the government and the Prime Minister should be proud of this budget. It is a balanced budget that provides a \$1.5 billion surplus, provides significant benefits for small business right throughout Australia and provides significant incentives for independent retirees and pensioners. It has resonated well with all of the groups—small business, independent retirees and pensioners—in my electorate. They are very pleased. They recognise that the government is looking after the older people in the community. Small businesses see that we are providing the right incentives to make the economy strong and vibrant. This is a budget

which does much for the economic development in this country. I am very proud to support it and to commend the government for the excellent job they have done in formulating it.

Debate interrupted.

ADJOURNMENT

Mr SPEAKER—Order! It being 10.30 p.m., I propose the question:

That the House do now adjourn.

Answers to Questions on Notice: Carbon Dioxide Emissions

Mr MURPHY (Lowe) (10.30 p.m.)—I have recently received a response from the Minister for the Environment and Heritage in regard to certain questions contained in question No. 2524, which I asked on notice on 5 April 2001 about the government's policies concerning carbon dioxide emissions, the greenhouse problem and the Kyoto protocol. Given that the government's position threatens to place Australia on the outside of any organised international regime of energy restructuring, consumption and conservation, my questions sought from the minister the unilateral measures this government would contemplate and undertake in relation to Australian energy restructuring, consumption and conservation. Given the gravity of these issues, I have to say that the answers I received on 5 April 2001 were far from adequate. In fact, the answers were either superficial or at odds with international expert advice, or both. They were not answers to inspire confidence in either the minister or this government.

I also have to report that answers to two other questions I asked on the same day, 5 April 2001, of the Minister for Transport and Regional Services, on issues related to the restructuring, consumption and conservation of Australia's energy demands and resources, have only been received by me tonight. I am not pleased with the responses and they will be the subject of further questions by me to the minister in the near future. I have previously reported that the transport minister's answer to my question No. 913 of 20 September 1999 about World Health Organisa-

tion warnings concerning diesel exhaust pollution was completely dismissive of this important issue. The minister said:

I am not prepared to authorise the time and resources required to prepare responses to this question.

More recently, on 6 February this year, I asked the transport minister question No. 2306, asking whether he could say that the introduction of high-speed trains in Europe had reduced the volume of domestic airline services that operate on the same routes. His answer to this question was a solitary word: no. He could not say. Further, my question was designed to establish whether the introduction of high-speed trains would reduce carbon dioxide emissions from vehicles travelling between Sydney and Canberra. His answer? The high-speed rail analysis would not be made public.

The restructuring of energy consumption and conservation has occupied the best minds on the planet and been the subject of numerous fora of discussion, debate and negotiation for at least the last decade. Many Australians have followed, been informed by and participated in these events in various ways. It is clear from the minister's answers that either the issues are beyond his capabilities or he is failing in his responsibilities through calculated evasion of these important questions.

To return to the answers to questions that I placed on the *Notice Paper* on 5 April 2001, I asked the Minister for the Environment and Heritage for information about the capacity of solar energy to replace the coal-fired power stations now emitting nearly half of Australia's carbon dioxide pollution. According to Dr Andrew Blakers from the Centre for Sustainable Energy Systems at the Australian National University, wind power, solar-thermal and solar-photovoltaic generators are the only fully sustainable technologies able to completely replace fossil and nuclear electricity generation during this century.

I also asked the Minister for the Environment and Heritage for an estimate of the cost of replacing the existing fossil fuel genera-

tors with solar-electric generators. The answer I received said the cost would be in the order of \$1,000 billion for solar-photovoltaic technology and \$200 billion for solar-thermal systems. Using Dr Blakers's figures of a fully installed cost of \$2 per watt, I estimate that replacing the generators in New South Wales with an installed capacity of 12,000 megawatts peak output would cost \$24 billion—indicating a much lower total outlay than the minister's obviously inflated estimate.

The government's present policy requirement for two per cent of electricity generation to be replaced by sources of renewable energy by 2010 has to be followed by further measures, such as a 10 per cent replacement by 2020. If the government continues to use grossly exaggerated estimates like those supplied in the answer to question No. 2554, these essential measures will not be adopted because of their alleged prohibitive cost. Given the appallingly superficial answers I have received from the Minister for the Environment and Heritage, I have placed further questions for the minister on these issues on tomorrow's *Notice Paper*.

The main reason that support for research and development in renewable energy is in serious trouble is that there is no direct federal government funding of renewable energy R&D from any source. There are no funds being made available for research and development from the hundreds of millions of dollars that are flowing through the Australian Greenhouse Office. Without vibrant energy sciences, Australia's only role in the global information technology highway will be to import the wisdom and applied knowledge of others without any effective contribution by us, either domestically or internationally. While it may suit the bottom line meanness and trickiness of this government, the minister must properly answer my questions on the *Notice Paper*. (*Time expired*)

La Trobe Electorate: History

Mr CHARLES (La Trobe) (10.35 p.m.)— I wish to bring to the attention of the House an article which appeared in the most recent edition of the *Knox Historian*, the newsletter

of the Knox Historical Society, which is an organisation of volunteers in my electorate of La Trobe. The article is by Glen Turnbull, the president, entitled 'Short History of Local Federal Electorates'—most appropriate for the year of the centenary of Federation. It reads:

The first Australian Federal Election was held on 29 March 1901. The Ferntree Gully Shire at that time was located within the Electorate of Mernda. This electorate was very widely scattered and included areas such as Alexandra, Yea, Whittlesea, Bulla, Broadmeadows, Healesville, Marysville, Warburton, Gembrook as well as Ferntree Gully. The Electoral office was in Seymour. In 1901, the only polling booths in the Ferntree Gully Shire were located at the Ferntree Gully Shire Hall, at Bayswater as well as at Macclesfield, Monbulk, and South Saxafrans (Kallista).

The first representative of Mernda was Robert Harper, who was a protectionist. The Mernda electorate was abolished upon a redistribution of seats in 1912, but at the 1906 Federal Election, the Ferntree Gully Shire district was included in the Flinders Electorate.

Mernda is also a locality, about 26 kilometres north of Melbourne on Plenty Road (north of Epping and South Morang). The name 'Mernda' is apparently derived from an Aboriginal word meaning 'earth'. Oddly, the locality of Mernda was named in 1913 about 12 months after the abolishment of the Electorate of Mernda. Prior to 1913, the locality was considered to be part of Morang.

From 1906 to 1949, the Ferntree Gully Shire was included in the Flinders Electorate. In 1906 William Irvine (an anti-socialist) was elected. Irvine continued to represent the Electorate through the dark days of World War One. In 1918, Stanley Melbourne Bruce was elected to the seat of Flinders. Bruce, who was later to become Prime Minister, is considered a 'local' to historians of the Ferntree Gully Shire.

Stanley Melbourne Bruce lived at 'Fern Glen', which was near 'Doongalla' (north of The Basin) until the age of 8. In 1891, 'Fern Glen' was destroyed by a flood. Until then, the property was owned by his father and uncle. Bruce later officially opened the Boronia Post Office in 1920 and received the first letter. Bruce became Prime Minister of Australia in 1923 and opened the first Parliament House at Canberra in 1927. He lost office in 1929, mainly due to the depression, but

he fought back and regained the seat of Flinders in 1931.

In 1949, the electorate of La Trobe was created and Richard Casey was elected. In 1984 part of La Trobe became the Electorate of Aston. The Knox City municipality is still split between the two electorates.

The La Trobe Electorate has closely followed the Government of the day over most of its existence. Up until 1980, the area was very conservative. Early representatives were nationalists with policies based on primary production. The Depression period of 1929-1931 resulted in the conservatives losing to Labor. The La Trobe electorate was right behind Menzies in the 1950s, but became labour again under the 'Time to Change' campaign of the Whitlam Government. It returned to the conservatives again after Governor-General Kerr intervened. La Trobe again became strongly Labor in the 1980s. The Aston Electorate was also labour in the 1980s. In 1990, the current representatives, Peter Nugent (Aston) and Bob Charles (La Trobe) were elected. The two electorates are considered swinging seats, La Trobe requiring a swing in the order of 1% to change again and Aston just over 3%.

There are two tables, showing the first senators and a list of federal members representing the district.

On 27 May, I had the honour to unveil for the historical society a heritage sign outside the Ferntree Gully Shire Hall. It was one of 26 heritage signs in a heritage trail which is part of the Centenary of Federation celebrations and is funded by the Commonwealth government. Unfortunately, Peter Nugent, my former colleague and the former member for Aston, was unable to be with me on that day because of his untimely death, but his widow, Carol, was able to join me, for which we all thank her. (*Time expired*)

Retirees: Computer Training

Mr MOSSFIELD (Greenway) (10.40 p.m.)—I have in my electorate a very energetic senior citizens organisation known as the Millennium Seniors, who run, among other projects, a computer training program for senior people. Clearly, there is an urgent need for this type of training, with all types of commercial transactions such as electricity, gas, water, municipal rates and motor registration now being transacted online.

My attention was drawn to the need for a national program to coordinate such training by an interstate e-constituent. This constituent has raised with me a number of facts relating to senior Australians. There are five million Australians over 50. This is 25 per cent of the total Australian population. This group of seniors controls 75 per cent of the nation's wealth and will in the future have an increasing voice in Australian politics. Many older people understand the fears that others of their age have in facing the computer and the Internet. Lack of computer skills is forcing older people into a situation where they will have to become computer confident or become increasingly marginalised.

The e-constituent referred to a report entitled *Accessibility of electronic commerce and new service information technologies for older Australians and people with disabilities*. This report referred to Australian Bureau of Statistics figures which show a lower proportion of older people using electronic technology. For example: the Internet was used in Australia by 73 per cent of 18- to 24-year-olds, or 1.3 million—up from 62 per cent in the previous year; some 56 per cent of 25- to 39-year-olds, up 40 per cent; 44 per cent of 40- to 54-year-olds, up 29 per cent; but only 16 per cent of people aged 55 and over, up by only seven per cent on the previous year. Similar figures apply to older Australians using EFTPOS, ATMs and telephone banking for bill payments.

The question arises: are people being excluded from services and information because of avoidable barriers such as lack of knowledge and appropriate training? This report refers to the Electronic Transactions Act 1999. This will apply to all laws of the Commonwealth and is intended, in a staged process, to allow all government agencies to put in place information systems to communicate electronically with their clients. This implies that clients will be 'encouraged', as they are by Telstra, to receive federal government services, pensions, et cetera, via the Internet.

My e-constituent has some criticism to make about current computer training for

older people. In my constituent's view, TAFE and other workplace oriented organisations have shown themselves to be providing a poor environment for training older people. Young, quick thinking, quick talking, computer experienced people, even when trying to be helpful, can seriously inhibit seniors learning these new skills in the home, workplace and training establishment. Older citizens may incur increased costs if they cannot participate online since many service providers are increasingly moving to charge higher fees for accounts paid over the counter or by post. I am aware that there have been many successful programs to train older Australians in the use of the computer. Equally, a large majority of older people would not have the confidence to use a computer for commercial purposes.

The training now offered by seniors groups needs to be coordinated to expand rapidly so that many computer-shy older people, particularly those in remote areas, will be able to access this technology. Many seniors groups have a natural network of branches throughout Australia. These groups have newsletters, web pages and emails, so the organisational structure to reach people is already in existence. There are thousands of taxpayer funded computers in our society, such as in schools, TAFE colleges and government and council offices, that could be used to train seniors during the times they are not being used for their principal purpose. There are many hundreds of computer confident older people who would be willing to pass on their knowledge to other older people. The Minister for Communications, Information Technology and the Arts needs to call together a representative group of older people and industry to discuss this important issue.

Tourism: Bibles in Hotels

Mr BAIRD (Cook) (10.45 p.m.)—There is no doubt that the tourism industry is one of the most successful sectors in Australia today. It is growing strongly: some five million international visitors came to Australia last year; an expected 5.2 million, perhaps more, will come this year; and, according to some

estimates, 10 million international visitors will come by 2010. The number of jobs created by this industry is outstanding: at least 600,000 direct jobs and a further 400,000 indirect jobs. The hotel industry is one of the best recipients of the growth in tourism in Australia. It has created jobs, and the extent and variety of hotels in Australia is noted by all.

It is therefore disappointing that a leading hotel chain last week took a decision which was out of keeping in terms of the Australian environment. This particular hotel chain took the decision to remove all Gideon Bibles from their hotels because they felt that they were offensive to many of their clientele. Their claim was that we now live in an inter-faith community where we must recognise and be sensitive to the backgrounds of those people who are visiting us from other countries. By all means, we are a tolerant country, we are tolerant of other people's beliefs and we certainly view highly the freedom to worship one's God in one's own way. But it seems to me that to remove Bibles from hotels as part of this is political correctness gone too far. Certainly, this decision ignores the fact that the last census showed that 70.3 per cent of Australians classified themselves as Christians. It is for Australian Christians in the main, or those from overseas, that these Bibles are available. In times of need, particularly in times of stress when people are living away from home, people may take the opportunity to read passages in the Bible and be inspired by reading psalms. This arbitrary decision by a hotel chain that may be based overseas is simply out of keeping with this tradition. It is a long tradition in Australia and one which is quite voluntary: if people do not wish to take advantage of this facility, that is perfectly acceptable.

There have been a number of recent examples of similar decisions. I recall that, during the Olympics, SOCOG put restrictions on where Christians could distribute their literature within the city. They also forbade the Bible Society from distributing to IOC members and members of the Olympic family special memento Bibles which celebrated the Olympics. Of course they ended

up being sent to the homes of these people through lists supplied. By saying that we are a multicultural, multifaith environment that needs to be all things to all people and that we do not want to offend people from various countries could lead us into a position where we negate our own heritage, negate our own situation.

It was particularly interesting that, on a mission to Japan a couple of years ago when I was involved in the tourism industry, I met the marketing manager of Japan Airlines. He actually said that one of the things that he did not like about his visit to Surfers Paradise was the extent of Japanese signs that were there. He said, 'When I go to Australia, I want to have an Australian experience with Australian language in a Western culture. If I want a Japanese experience, I will stay at home.' I thought that was particularly interesting. When we create our own tourism experience, it is important that we retain the best of our culture and our heritage.

If we continue to class ourselves as a tolerant and accepting society, all religions and belief systems should be treated with respect. It seems that, in our efforts to accommodate the wide variety of other religions that have a strong presence in Australia, it has become okay to be disrespectful of the beliefs and sensitivities of Christians. I agree that there is an important role for political correctness, but this is not one of them. I am very glad to see that this hotel chain has reversed its previous decision and that the Gideon Bibles are back in the hotel rooms.

Centenary of Federation: Women's Petition

Ms GILLARD (Lalor) (10.50 p.m.)—I rise tonight to tell the House about a student in my electorate, Leeanne Grima, and her contribution to the Centenary of Federation celebrations, which we recently enjoyed in Melbourne. Leeanne is a 16-year-old student who lives in West Sunshine. She is the daughter of Maltese immigrants who migrated here in 1980 and she studies at Marian College. Leeanne addressed the Women Shaping the Nation event, which was held in the Victorian state parliament on 7 May as

part of the Centenary of Federation celebrations.

The House might wonder: how did a 16-year-old schoolgirl come to be there addressing that event? She came to be there because part of that event was the receiving of the women's petition. This women's petition was to replicate and in some ways to enact the 1891 women's petition, which was signed by women calling for the vote. This was a modern version—a Centenary of Federation version—where women across Victoria gathered in workshops to work out what issues women at this stage of Australian history should be calling for.

Leeanne in her English class actually participated in shaping the women's petition. Her English class sat down and worked out what issues they thought should be addressed in the petition. When Leeanne spoke to the event in Melbourne, she talked about some of these issues—issues of importance to her and to young women in Australia. I would now like to use Leeanne's words to inform the House about how she saw those issues. First she dealt with the issue of the presentation of women in advertising and the media and asked that it be non-exploitative. She said:

The portrayal of women in the media and advertising is a key contributor to the preoccupation with body image amongst young women. Schools implement programs to ensure that girls will develop positive notions of their identity and that their appraisal of themselves and others is not constrained by what is perceived to be ideal. At Marian—

the school that Leeanne attends—

the subject of health focuses on a wholistic approach to health and body issues. The impact of school policies however, is limited within a culture where the presentation of women in the media and advertising continues to be exploitative and archetypal. That the media is projected into homes daily and that it is the most basic source of information, social values and entertainment signifies its relevance. Articles in girls magazines advocate individuality but appear alongside advertisements featuring girls who are non-representative of a true teenage demographic. Women in advertising are largely domesticated or sexually exploited. The heroine of film continues

to be a Cinderella. This all signifies that popular sentiment regarding the female body image has yet to progress to reality. In the community, within the media and advertising sector, we seek the parliaments support that women be portrayed authentically as real women, towards the aim that body image does not remain an integral criteria of a woman's self and social worth.

That was Leeanne's contribution on the question of body image. She also made the following contribution on the question of the environment:

Another critical issue included in the petition—the women's petition—

is the sustenance of the environment as the core constituent in living securely and safely. As the mothers of tomorrow, it is our desire that our children may be raised within the safety of a clean environment and experience security in the sustainability of our air, land, and water. Such sustainability is advocated at a community level, through widespread recycling programs and the support of suburban creeks and walkways. Schools incorporate environmental studies into their curriculum, and at Marian we are encouraged to be aware of environmental issues and participate in action where possible; particularly important considering our school and my home's proximity to expanding industrial factories.

She goes on to talk about the nature of our local community. She then states:

We seek the support of the government to maintain our integrity in our commitment to global agreements, which will benefit the children of tomorrow, everywhere.

I am here today because I have been given this opportunity to speak to you because of our school leaders initiating our involvement, and I am grateful. There remains however, a chasm in the opportunities for other young people to express their personal views in open forums. As your future, we urge our leaders to be receptive to the voice of youth.

I commend Leeanne's words to the House. I believe it is very important that this House hear Leeanne's sentiments in her own words. *(Time expired)*

Small Business: Budget 2001-02

Retirees: Budget 2001-02

Mr FITZGIBBON *(Hunter)* (10.55 p.m.)—Speaking on the appropriations bill earlier tonight, I noticed that the member for

Cook was speaking a lot about the benefits contained within the budget for older Australians. He told the House that seniors in his electorate of Cook were delighted by the outcome of the budget, indeed overwhelmed by the generosity of the budget towards older Australians. The experience in my own electorate has been much different. Firstly, I turn to those who are on the age pension, who were absolutely aghast that the best the government could do for them, in terms of compensation for the GST, was a one-off \$300 grant. More surprised were those on disability pensions and those on carers pension, who learned the next day that they would be receiving no money whatsoever. Just as surprised were all those self-funded retirees not of pensionable age—65 years for men and I think it is 61½ years for women—who are of course excluded from any benefit under the initiatives taken in respect of self-funded retirees. Surprised also were those of pensionable age but who had incomes of around \$32,000 or more and therefore were also excluded from the benefits flowing from the initiatives contained within this year's budget. So the reaction in my electorate has been somewhat different from the reaction in the member for Cook's electorate, or at least what he would have us believe has been the reaction in his own electorate.

But what amazed me more than anything about the government's budget this year was its total unpreparedness to attempt to at least win back the support of the small business constituency, its total unwillingness to acknowledge the pain the GST has brought to small business and therefore to attempt to redress the situation. This is a constituency which has been hit for six by the GST and yet, despite having all the resources of government, this government is unprepared to put forward one initiative designed to address that pain. We heard the Treasurer telling us that there were some initiatives contained within the budget for small business. I fail to recognise them. There was the reduction in the company tax rate from 34c to 30c in the dollar, but of course there would have been outrage if that initiative had not been contained within the budget because that was

part of the GST deal and that was a benefit the small business community was indeed expecting. I point out to the House that less than 50 per cent of small firms in Australia are incorporated, so that excludes more than 50 per cent of small firms from accruing any benefit whatsoever from that initiative.

Mr Brough interjecting—

Mr FITZGIBBON—The Minister for Employment Services, who is at the table, keeps interjecting. He wants me to mention the fact that small business people will now be able to claim a full input tax credit on the purchase of motor vehicles. That was an initiative that was brought forward and of course the big end of town, the motor vehicle industry and its retailers, are pretty happy about that. But my response to the minister at the table is: that is if you can afford the petrol to put in the car. I doubt there were too many small business people in a cash flow position, particularly given the impact recently of the GST, to find themselves able to run out there and suddenly buy a motor vehicle. So I suggest there was very little benefit in that initiative for most small business people.

One thing that really surprised me was the government's decision not to extend the immediate write-off provisions for GST related purchases. You recall, Mr Speaker, that the government decided that, to assist small firms to ready themselves for the GST, it would allow them to write off in the first year GST start-up related purchases. Many small firms, for a variety of reasons, were not able to take the benefit of that initiative before 30 June 2000 and the sector was calling upon the government to extend that at least another year. The program cost only \$170 million in the first year. I expect that most people would have already made that investment by 30 June and therefore I suspect that the cost of such a proposal would have been very little. In contrast, with its limited resources the opposition is putting forward proposals to make the GST simpler and less complex for small business. The member for Hotham, Simon Crean, announced one of them just last week: a good

scheme which stands in stark contrast to the scheme proposed by the government. (*Time expired*)

Mr SPEAKER—Order! It being 11 p.m., the debate is interrupted.

House adjourned at 11.00 p.m.

REQUEST FOR DETAILED INFORMATION

Parliament House: Television Services

Mr Martin Ferguson asked Mr Speaker, upon notice, on 10 May 2001:

In approving the offer of Foxtel services to parliament House for no charge, did he establish criteria to provide the basis on which further offers of services to Parliament House would be considered?

Mr Speaker—The answer to the honourable member's question is as follows:

Since Parliament House opened in 1988 and prior to the Foxtel offer, the number of television news and information channels provided on the House Monitoring Service had increased from three (ABC, SBS, Capital 7) to ten - two additional free-to-air channels (Prime and WIN) and five subscription services had been added.

In the case of the free-to-air services, no charges are incurred.

In the case of the subscription services (CNN, BBC WORLD, Sky News Australia, CNBC and Bloomberg Information Television) the arrangements vary. The Department of the Parliamentary Reporting Staff pays subscription fees to CNN (\$6000 per annum) and CNBC (\$1800 per annum). BBC WORLD, Sky News Australia and Bloomberg are provided free of charge to the Parliament.

In relation to criteria against which offers of future services might be judged, the Foxtel offer was assessed by DPRS against three:

- HMS channel availability
- cost of accepting the (FOXTEL) offer; and
- the appropriateness of the content for HMS.

These criteria would continue to be the benchmarks against which future offers would be judged by DPRS. The President of the Senate and I would then consider any advice provided to us by the Secretary, DPRS.

NOTICES

The following notice was given:

Ms Hoare to move:

That this House:

- (1) acknowledges that almost one third of all Australian workers are now working more than 50 hours per week;
- (2) notes that the French Government has recently legislated for a 35 hour week;
- (3) conduct a review of the operation of the French legislation, and its success or otherwise; and
- (4) consult widely with the community, the business sector and trade unions, to explore the appropriateness or otherwise of applying similar values to an Australian context.

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Goods and Services Tax: Company Tax**(Question No. 2016)**

Mr Kelvin Thomson asked the Treasurer, upon notice, on 4 October 2000:

- (1) Is he aware that the ATO deducted company tax payments from GST refunds around 1 September 2000.
- (2) Is he also aware that this caused some companies to make a “double payment” of company tax as some companies had already paid their company tax when it was due.
- (3) How many companies had their company tax payment taken from their GST refunds.
- (4) How many companies has the ATO had to make refunds to as a result of the double payments.
- (5) What is the total of the extra tax collected by the ATO as a result of the double payments.
- (6) How long did it take the ATO to refund this money to small businesses.
- (7) Was interest paid to the affected companies; if so, how much.
- (8) Did the ATO notify affected companies that it would deduct company tax due from GST refunds; if not, why not.
- (9) What measures have been taken to prevent this occurring again.

Mr Costello—The Assistant Treasurer has provided the following answer to the honourable member’s question:

- (1) Since 1 July 1999, the Commissioner has been required by section 8AAZL of the Taxation Administration Act 1953, to apply any payment, credit or surplus on an account against any taxation debt. Similar legislative provisions existed prior to 1 July 1999.

Accordingly, the Commissioner was required by the law to apply the business activity statement (BAS) refund to the company income tax instalment liability that was due on 1 September 2000.
- (2) The Commissioner is aware that some companies had paid the company income tax instalments after their BAS refund was applied to those debts. This overpayment was refunded in cases where there were no other outstanding debts.
- (3) to (5) Between 16 August 2000 and 4 October 2000, BAS refunds were applied to the income tax instalments of 1,946 companies. Of the 1,946 clients, 610 have had refunds repaid and the remainder have taken advantage of the ATO offsetting their GST credit to cover their company instalment. No extra tax has been collected.
- (6) Any overpayment was refunded, or offset against other liabilities as soon as possible. The average time taken for all 610 refunds, between the date of the original offset and the repayment, was 28 days.
- (7) Under the Taxation (Interest on Overpayments and Early Payments) Act 1983, no interest would be payable as a result of the offsetting of the BAS refunds against the company instalment.
- (8) As this legislation has been in force since 1 July 1999, specific advice to the companies concerned was not considered necessary.
- (9) This legislation was enacted to enable the more efficient collection of taxation debts, and to prevent taxpayers receiving a refund on one day and having a tax debt payable shortly thereafter. The legislation has now been amended to give the Commissioner a discretion not to offset amounts against a tax debt where the debt is due but not yet payable.

Second Sydney Airport: Sydney West**(Question No. 2305)**

Mr Murphy asked the Minister for Transport and Regional Services, upon notice, on 6 February 2001:

- (1) Has his attention been drawn to statements made in the *Australian* newspaper that Federal Cabinet has ruled out building a second airport in Western Sydney.
- (2) Does section 11 of the Airports Act state that the airport-lessee companies of Sydney (Kingsford-Smith) Airport (KSA) and Sydney West Airport must be wholly-owned subsidiaries of the same holding company; if so, (a) what is the rationale behind this provision and (b) will the provision be repealed.
- (3) Does paragraph 14(5)(f) of the Airports Act state that an airport lease complies with the subsection if, in the case of Sydney West Airport, the lease provides for the development of the site as an airport or the use of the site as an airport, or both whether or not the lease also provides for other developments or other uses; if so, (a) what is the rationale behind this provision and (b) will the provision be repealed.
- (4) Will he make provisions in granting a lease for Sydney Airport that the lease provides for the development of the site for Sydney West Airport.
- (5) Will he recommend a site other than Badgerys Creek as the site for Sydney West Airport; if so, when; if not, why not.
- (6) Can an operator-lease for Sydney Airport be drafted without reference to provisions in that lease for the development of the site for Sydney West Airport.
- (7) For the purposes of section 16 of the Airports Act, who are (a) the airport-lessee companies and (b) the airport management-companies for (i) those airports listed in subsection 7(1) of the Act and (ii) any other airport in Australia.
- (8) Will he repeal or amend section 16 of the Act.
- (9) Does section 18 of the Act state that the Commonwealth must not grant an airport lease under section 13 of the Act, or section 22 of the Airports (Transitional) Act, for KSA or Sydney West Airport unless each of the airport-lessee companies is a subsidiary of the same company; if so, (a), when will tenders be advertised for the airport-lessee company for KSA and Sydney West Airport and (b) will the Commonwealth ultimately dispose of its shares in the airport-lessee companies and airport-management companies for the airports; if so, when; if not, why not.
- (10) Will he repeal or amend section 18 of the Act.
- (11) What would the financial impact be on the purchase price of KSA if there were no requirement for the operator of Sydney airport to build a second airport in Western Sydney.
- (12) In light of the Environment Protection (Impact of Proposals) Act and the Environment Protection and Biodiversity Conservation Act, why were alternative sites such as Darkes Forest and Wilton not included in the Environmental Impact Statement on Bankstown Airport.

Mr Anderson—The answer to the honourable member's question is as follows:

- (1) I am fully aware of the Government's decision in December 2000 on Sydney's future airport needs including the conclusion reached that it would be premature to build a second major airport for the city.
- (2) Yes. (a) This provision reflects the envisaged complementary roles of the two airports. (b) There is no intention to repeal this provision at this time.
- (3) Yes. (a) This provision reflects the intention that the lessee of Sydney West Airport be responsible for developing and/or operating the airport. (b) There is no intention to repeal this provision at this time.

- (4) The lease for Sydney (Kingsford Smith) Airport has been granted under section 21 of the *Airports (Transitional) Act 1996*. It does not contain provisions relating to the development of the site for Sydney West Airport.

It is proposed that a sale agreement for Sydney Airport will provide for the new owner to be given a first right of refusal by the Commonwealth to build and operate any second major airport within 100 kilometres of the Sydney Central Business District.

- (5) The Government has decided to retain ownership of the Badgerys Creek site and to legislate to protect the site from incompatible development in surrounding areas which may prejudice its future use as an airport. The Government will further review Sydney's airport needs in 2005. No site other than Badgerys Creek is currently being considered for a second major airport.
- (6) Yes.
- (7) The airport-lessee companies and the airport management companies for all the airports leased under the provisions of the *Airports Act 1996* are listed at Attachment A.
- (8) There is no intention to repeal Section 16 of the Act at this time.
- (9) Yes. (a) Section 18 of the Airports Act does not require tenders to be advertised or called for the airport lessee company for KSA or Sydney West Airport. (b) The Government announced its intention, on 29 March 2001, to sell its shares in the airport lessee company for KSA by way of a 100% trade sale in the second half of 2001. There is no airport lessee or airport management company for Sydney West Airport.
- (10) There is no intention to repeal or amend Section 18 of the Act at this time.
- (11) There is no requirement for the operator of Sydney Airport to build a second airport in western Sydney; rather it is proposed that the operator of Sydney Airport will be given a first right of refusal to build and operate any such airport.
- (12) There has been no Environmental Impact Statement (EIS) undertaken on Bankstown Airport. The EIS for the second Sydney airport proposal, which was completed in 1999, was specifically for the Badgerys Creek site. Environment Australia's Guidelines for this EIS clearly acknowledged that alternative site locations would not be addressed in detail having been the subject of a separate 'site selection' EIS in 1985 and subsequent Government decisions (except for the Holsworthy site which had been the subject of more recent study).

ATTACHMENT A

AIRPORT-LESSEE AND AIRPORT-MANAGEMENT COMPANIES

Airport	Airport-Lessee Company	Airport-Management Company
Sydney (Kingsford Smith)	Sydney Airports Corporation Ltd	N/a
Melbourne (Tullamarine)	Australia Pacific Airports (Melbourne) Pty Ltd	N/a
Brisbane	Brisbane Airport Corporation Ltd	N/a
Perth	Westralia Airports Corporation Pty Ltd	N/a
Adelaide	Adelaide Airport Ltd	Adelaide Airport Management Ltd
Coolangatta	Gold Coast Airport Ltd	Queensland Airports Management Ltd
Hobart	Hobart International Airport Pty	N/a

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Airport	Airport-Lessee Company	Airport-Management Company
	Ltd	
Launceston	Australia Pacific Airports (Launceston) Pty Ltd	N/a
Alice Springs	Alice Springs Airport Pty Ltd	N/a
Canberra	Canberra International Airport Pty Ltd	Capital Airport Group Pty Ltd
Darwin	Darwin International Airport Pty Ltd	N/a
Townsville	Australian Airports (Townsville) Pty Ltd	N/a
Archerfield	Archerfield Airport Corporation Pty Ltd	N/a
Bankstown	Bankstown Airport Ltd	N/a
Camden	Camden Airport Ltd	N/a
Hoxton Park	Hoxton Park Airport Ltd	N/a
Essendon	Essendon Airport Ltd	N/a
Jandakot	Jandakot Airport Holdings Pty Ltd	N/a
Moorabbin	Moorabbin Airport Corporation Pty Ltd	N/a
Parafield	Parafield Airport Ltd	Adelaide Airport Management Ltd
Tennant Creek	Tennant Creek Airport Pty Ltd	N/a
Mt Isa	Australian Airports (Mount Isa) Pty Ltd	N/a

Pensioners: Driving Assessments

(Question No. 2372)

Mr Kerr asked the Minister for Veterans' Affairs, upon notice, on 26 February 2001:

- (1) Must Tasmanian recipients of Department of Veterans' Affairs (DVA) pensions pay to undergo a driving assessment by Rehabilitation Tasmania, while recipients of Centrelink pensions are provided the service free of charge.
- (2) How many Tasmanian recipients of DVA pensions have had to pay \$400 to undergo a driving assessment in the last three years.
- (3) On what basis does his Department consider this service to be a non-medical service.
- (4) Based on current figures, what would be the anticipated cost to the Commonwealth per annum to reimburse DVA pensioners in Tasmania for this cost.
- (5) Does the Commonwealth propose to take action to address this problem.

Mr Bruce Scott—The answer to the honourable member's question is as follows:

- (1) and (3) Under the Veterans' Entitlements Act 1986 (VEA), the Repatriation Commission is required to provide treatment services and rehabilitation services in accordance with the Act. The Repatriation Commission is assisted in the administration of the VEA by officers from the Department of Veterans' Affairs (DVA). The treatment services provided under Part V of the VEA can include driving skills assessments. However, the VEA provides that DVA is only able to pay for driving skills assessments if the beneficiary is suffering from a medical condition that is war-caused and the medical condition gives rise to the need for the driving skills assessment. In addition, under Part VIA of the VEA, DVA is also required to provide rehabilitation services to assist specified classes of veterans to find employment and to continue in employment. Part of an appropriate rehabilitation program can include a driving skills assessment. If the above circumstances exist, then DVA is able to meet the costs of the driving skills assessments. However, unless the above legislative criteria are met, then there is currently no legal authority enabling DVA to meet the costs of driving skills assessments provided by "Rehabilitation Tasmania" to pensioners and beneficiaries in receipt of pensions, benefits or allowances under the VEA.
- (2) DVA records do not disclose the number of DVA pensioners that have paid for driving skills assessments in Tasmania. Due to the fact that DVA can only fund driving assessments for pensioners with a war-caused medical need, DVA does not record the number of DVA pensioners with non-war caused medical needs who may have been required to pay for their driving skills assessments.
- (3) There are no records of the number of DVA pensioners with a need for a modified vehicle which in turn would require, as a pre-requisite, a driving skills assessment.
- (4) There is currently no proposal to alter the VEA to widen the range of DVA pensioners who would be eligible for a funded driving skills assessment.

Sydney (Kingsford Smith) Airport: Sale

(Question No. 2374)

Mr Murphy asked the Minister for Finance and Administration, upon notice, on 26 February 2001:

- (1) Has the Government announced that it intends to sell Sydney (Kingsford-Smith) Airport separately from the other Sydney basin airports; if so, has he obtained advice that the sale is entirely consistent with the Airports Act 1996.
- (2) Is the intention of Division 3 of the Airports Act 1996 to provide that a second airport called Sydney West Airport will be commercially leased to the purchaser or lessee of Sydney (Kingsford-Smith) Airport thus ensuring that Sydney West Airport is purchased and built.
- (3) Further to his media statement 'Appointment of advisers to conduct the Sydney airports scoping study' released on 18 January 2001, has the Office of Asset Sales and Information Technology Outsourcing, in providing their initial advice on the sale of Sydney (Kingsford-Smith) Airport, sought advice from the appointed advisers, Salomon Smith Barney and Freehills, on whether the lease of Sydney (Kingsford-Smith) Airport must include provisions to lease Sydney West Airport to the same corporate entity or subsidiary.

Mr Fahey—The answer to the honourable member's question is as follows:

- (1) Yes, the Government has obtained advice from its advisers, Salomon Smith Barney and Freehills, confirming that the proposed sale is consistent with the Airports Act 1996.
- (2) I am advised that the intention of Part 2 Division 3 of the Airports Act 1996 is that, if an airport lease is granted for Sydney West Airport, the airport lessee companies for Sydney (Kingsford Smith) Airport and Sydney West Airport be wholly owned subsidiaries of the same holding company.
- (3) Yes.

**Australian Government Actuary: Parliamentary Contributory Superannuation Scheme
(Question No. 2425)**

Mr Andren asked the Minister for Finance and Administration, upon notice, on 5 March 2001:

- (1) Does the Australian Government Actuary, in accordance with common practice for superannuation arrangements in the private sector, provide details of the cost to the Commonwealth of the Parliamentary Contributory Superannuation Scheme (PCSS) every three years; if not how often does the Actuary report.
- (2) Is it a fact that (a) the Actuary reported, in February 1997, that based on 30 June 1996 data, the notional employer contribution rate, that is, the effective cost of the PCSS as a percentage of total salaries of scheme members was 69.1 per cent and (b) based on data as at 30 June 1999, the Actuary again reported to his Department in, or around, February 2000.
- (3) Is he aware that his Department has refused to provide my office with details of the Actuary's last report, on the basis that such information is confidential.
- (4) Will he make the Actuary's 2000 report on the long term cost of the PCSS scheme publicly available; if not, (a) why not and (b) will he reveal what rate of notional employer contribution the Actuary included in his 2000 report.

Mr Fahey—The answer to the honourable member's question is as follows:

- (1) The most recent full actuarial reviews of the PCSS were undertaken in 1995, 1997 and 2000.
- (2) (a) Yes.
(b) Yes.
- (3) I am advised that the relevant area of my Department received no request from the Honourable Member's office to provide details of the Actuary's last report.
- (4) No.
 - (a) Previous reports have not been made publicly available and there is no requirement to do so.
 - (b) All Senators and Members were provided with this information on 15 December 2000 through the PCSS Annual Report.

**Sydney Basin Airports: Sale
(Question No. 2436)**

Mr Murphy asked the Minister for Finance and Administration, upon notice, on 6 March 2001:

- (1) During his second reading speech for the Airports Legislation Amendment Bill 1997 (*Hansard*, 1 October 1997, page 8958) did he say that the sale of the Sydney basin airports, which are Kingsford Smith, Hoxton Park, Bankstown and Camden airports, will take place only after completion of an environmental assessment of options for the site for the second Sydney airport and when the Government has effectively addressed noise issues relating to Sydney airport.
- (2) If so, (a) has an environmental assessment of options for the site for the second Sydney airport been undertaken; if so, what (i) is the name of that assessment and (ii) are the assessments components and (b) has the issue of noise relating to Sydney airport be addressed.
- (3) Have the two preconditions been satisfied.
- (4) Does the scoping study for the proposed sale of Sydney, Bankstown, Hoxton Park and Camden airports include these two preconditions; if not, why not.

Mr Fahey—The answer to the honourable member's question is as follows:

- (1) Yes.

- (2) (a) An environmental assessment of options for the site for the second Sydney airport has been undertaken.
- (i) The report is called 'Environmental Impact Statement for the Proposed Second Sydney Airport at Badgerys Creek'.
- (ii) A proposal to consider the building of a domestic and international airport at Badgerys Creek in western Sydney underwent an environmental assessment conducted in accordance with the Administrative Procedures of the Environment Protection (Impact of Proposals) Act 1974.
- (2) (b) Aircraft noise issues relating to Sydney airport have been effectively addressed through the introduction of a maximum movement cap at KSA and the Long Term Operating Plan (LTOP) and the substantial completion of the noise insulation program.
- (3) Yes.
- (4) The Government sought advice from its scoping study advisers, Salomon Smith Barney and Freehills, on a range of issues, however, it did not seek advice on these two preconditions because they had been satisfied by:
- the actions outlined in the answers to question 2 above; and
 - the Government's policy announcement on 13 December 2000 that after lengthy and careful consideration of Sydney's future airport needs that it would be premature to build a second major airport in the city.

National Youth Roundtable: Applications

(Question No. 2496)

Ms Ellis asked the Minister for Education, Training and Youth Affairs, upon notice, on 2 April 2001:

- (1) How many applications were made to the 2001 Youth Roundtable from residents in the electoral division of Canberra.
- (2) What was the gender breakdown of these applicants.
- (3) What selection criteria were applied in determining eligibility for the Youth Roundtable.
- (4) Will he provide a copy of the selection criteria and the selection process guidelines.
- (5) Is there a provision for ministerial discretion in the selection procedure for Youth Roundtable delegates.

Dr Kemp—The answer to the honourable member's question is as follows:

- (1) There were seven applications from the electoral division of Canberra for the Youth Roundtable 2001.
- (2) 3 male, 4 female.
- (3) Applicants for the National Youth Roundtable 2001 were assessed against the selection criteria by their responses to the general questions on the application form and the references provided with their applications. Broadly, the selection criteria required applicants to demonstrate:
- (a) a commitment to youth issues;
 - (b) the capacity to consult with other young people;
 - (c) membership of, or participation in, community groups or activities and youth programmes; and
 - (d) knowledge of and interest in youth issues.
- (4) Yes, the following is the process undertaken to select Roundtable members:

Stage 1

Voices of Youth staff members selected 151 applicants from the 673 received. This was achieved by rating the applicants according to the selection criteria identified on the application form, referee reports and speaking with referees.

Stage 2

151 applicants were selected and then subjected to closer scrutiny by the Assistant Secretary, Youth Bureau and the Director, Voices of Youth to decrease the listing further. Consideration was given to selecting applicants who have a variety of education, employment and life experiences; a diversity of experience in relation to community activity and involvement; reside in varied locations across Australia (urban, rural, remote); and disparate profiles from similar geographical locations. This process culled the applications to 125.

Stage 3

An independent national advisory committee, comprised of community and business representatives, met in Canberra on 13 December 2000. The committee identified a group of 60 applicants for further consideration.

- (5) The Minister endorses the advisory committee's list of applicants.

Environment: Carbon Dioxide Emissions**(Question No. 2524)**

Mr Murphy asked the Minister representing the Minister for the Environment and Heritage, upon notice, on 5 April 2001:

- (1) Is the Minister aware of a report in *The Sydney Morning Herald* of 3 April 2001 that Cabinet is said to have decided to support the stand taken by the US against the Kyoto Protocol while the Minister is reported as saying that he is in favour of supporting the protocol; if so, will the Government support the Kyoto protocol; if not, why not.
- (2) In terms of the Kyoto protocol what is the estimated cost per kilogram of carbon dioxide reduction from the electric power industry when measures such as increased energy efficiency of domestic, commercial and industrial equipment are taken into consideration.
- (3) What effect would a program of supporting the installation of domestic solar hot water heaters nationwide have on carbon dioxide emissions if the level of use of such solar hot water heaters reached that (approximately 50%) found in the Northern Territory.
- (4) Considering that electricity generators are responsible for nearly 50% of Australia's carbon dioxide emissions, what measures does the Government have in place to reduce the consumption of electricity.
- (5) What measures does the Government have in place to increase the energy efficiency of Australia's coal fired power stations.
- (6) What area of solar photo-voltaic or solar thermal collectors would be required to replace all of Australia's existing fossil fuelled electric power stations.
- (7) What would be the cost of such a conversion.
- (8) Is the Minister able to provide a comprehensive list of economic sectors, ranging from agriculture, transport, energy supply, housing, food production, mining and all other sectors that each contribute more than five percent of Australia's carbon dioxide emissions together with a breakdown of the costs and potential savings that would result if measures were taken to reduce Australia's carbon dioxide emissions below the levels of 1990.
- (9) Have reputable economic analysts shown that significant savings are possible if measures to reduce carbon dioxide emissions are taken on a case by case basis rather than taking the worst case and claiming that case to represent the whole economy.

Mr Truss—The Minister for the Environment and Heritage has provided the following answer to the honourable member's question:

- (1) The Prime Minister wrote to the President of the United States on this matter on 11 April 2001. He stated that Australia remains committed to dealing effectively with climate change and that the Government would continue to implement its program of domestic policies to reduce greenhouse gas emissions.

The Government indicated when signing the Protocol in April 1998 that possible future ratification of the Protocol was dependent upon satisfactory outcomes on four key outstanding issues: sinks, compliance, the flexibility mechanisms and the involvement of developing countries. Australia has consistently argued that an effective international framework to address climate change needs to be economically manageable and include the participation of developing countries. Any international framework to address climate change will, if it is to be effective, need to incorporate the participation of all major emitters, including the United States.

- (2) There are a range of costs for abating greenhouse gas emissions from electricity supply and consumption, depending upon the measures adopted and the context in which they are used. Experience through programs such as the Greenhouse Challenge shows that there are a variety of cost-effective measures available.

For example, analysis carried out by the Australian Greenhouse Office on the National Appliance and Equipment Energy Efficiency Program indicates that labelling and energy efficiency standards for some appliances and equipment can deliver savings of greenhouse gas emissions at a net community benefit of up to \$31 a tonne.

- (3) The Australian Bureau of Statistics estimated that in 1999 there were 7.2 million hot water systems installed in dwellings in Australia. If solar hot water systems were installed in 50% of the houses across Australia, around 6.5 million additional tonnes of carbon dioxide would be abated each year.
- (4) The Australian government has developed a range of measures to improve energy efficiency and hence reduce consumption of electricity. These include:
 - Agreement for the development of standards for the energy efficiency of buildings,
 - Joint government and industry initiatives that encourage benchmarking and best practice within the building industry,
 - The National Appliance and Equipment Energy Efficiency Program,
 - The Greenhouse Challenge program, and
 - The Energy Efficiency Best Practice program.
- (5) In order to improve the efficiency of Australia's power stations the Government introduced new standards for power generators on 1 July 2000. Generator Efficiency Standards work to increase the efficiency of energy production from fossil fuels.
- (6) Australia's annual generation of electricity from fossil fuel sources in 1999 was estimated as 170,000 gigawatt hours (GWh). To generate 170,000 GWh per year from solar photovoltaic panels would require an area in the order of 850 square kilometers (not including the energy storage systems). To generate the same amount of energy from solar thermal collectors, an area in the order of 300 square kilometres of solar thermal collectors would be required (in addition to the area taken up by the generation equipment).
- (7) With current solar photovoltaic technology the costs would be in the order of \$1,000 billion, not including the energy storage systems required to deliver useable power to consumers. Using solar thermal systems, which are not yet fully commercial, the cost would be in the order of \$200 billion excluding the generating equipment and storage systems. These estimates do not include the cost of the land that would be required for either system.

- (8) According to the 1999 National Greenhouse Gas Inventory, Energy Industries (41.2%), Transport (16.1%), Livestock (13.7%) and Manufacturing Industries and Construction (11.3%) each contributed more than 5% of Australia's carbon dioxide equivalent emissions.

ABARE have published analysis of the potential economic impacts of the Kyoto Protocol, based on a greenhouse gas emissions target of 108% of 1990 levels. The ABARE analysis estimates that real GNP will grow by around 1% less than the 40% growth otherwise expected between now and 2010. Corresponding impacts have been reported for a range of industries.

However, there is no current analysis of the industry costs or benefits of taking action to reduce Australia's carbon dioxide emissions below 1990 levels.

- (9) Studies based on 'bottom up' style partial analyses often identify potential emissions measures with net savings, based in many instances on the adoption of new technologies. Reflecting the existence of these opportunities, a range of measures with net savings already has been implemented by the Commonwealth, such as the Greenhouse Challenge Program and Minimum Energy Performance Standards. The Commonwealth also provides funding for large-scale cost-effective emission abatement projects through the Greenhouse Gas Abatement Program.

Bottom up models can tend to understate the economy-wide impacts resulting from the diversion of investment required to implement new technologies in an accelerated timeframe. 'Top down' economic models can provide additional information helping to inform the economy-wide costs of taking greenhouse action. Both modelling approaches are valuable in evaluating optimal greenhouse policy responses.