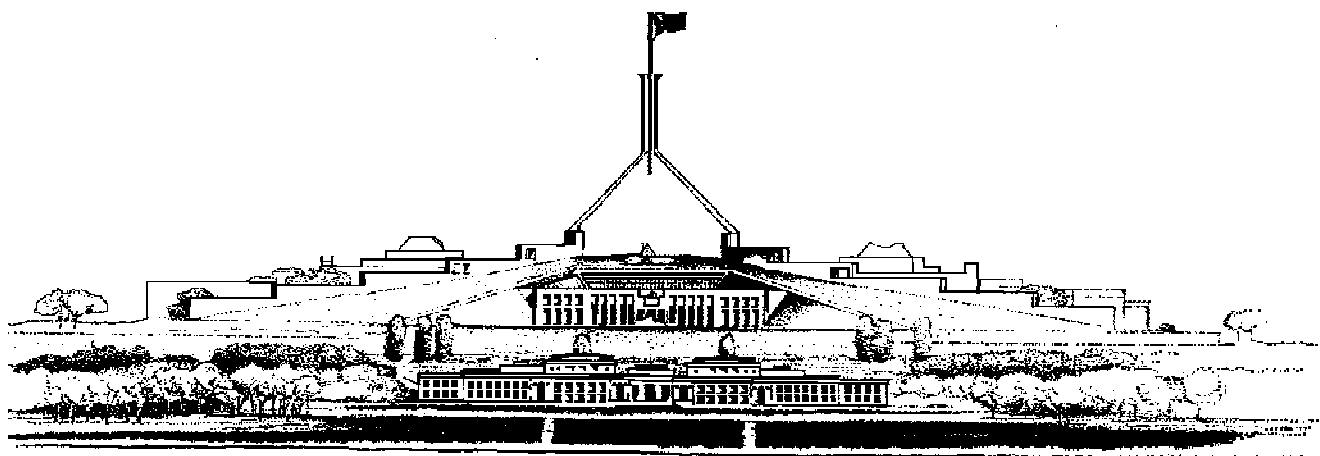




COMMONWEALTH OF AUSTRALIA  
PARLIAMENTARY DEBATES



**HOUSE OF  
REPRESENTATIVES**

**Official Hansard**

**MONDAY, 30 MARCH 1998**

THIRTY-EIGHTH PARLIAMENT  
FIRST SESSION—SIXTH PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES  
CANBERRA

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*Monday, 30 March 1998*

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**Mr SPEAKER (Rt Hon. I. McC. Sinclair)**  
took the chair at 12.30 p.m., and read prayers.

### COMMITTEES

#### Industry, Science and Technology Committee

##### Report

**Mr REID** (Bendigo) (12.31 p.m.)—On behalf of the Standing Committee on Industry, Science and Technology, I present the committee's report entitled *A sea of indifference—Australian industry participation in the North West Shelf project*, together with the minutes of proceedings and evidence received by the committee.

Ordered that the report be printed.

**Mr REID**—The North West Shelf is a large-scale gas extraction and processing project by world standards. In expenditure terms, it is the largest project ever undertaken in Australia, with the potential to provide significant opportunities for sustainable growth in Australian industry, particularly in terms of project management, design, fabrication, manufacture and installation.

There is a general consensus that oil and gas developments in the north-west will increase considerably in the coming decades. The Australian Bureau of Agricultural and Resource Economics predicts that gas exports from Western Australia will reach 20 million tonnes per year by the year 2010, requiring significant expenditure for plant expansion. Such an increase would add \$1.5 billion to \$3 billion a year to Australia's export earnings.

However, the contribution major projects make directly to export earnings is only one part of the picture. It is the committee's view that major resource projects which exploit a non-renewable national resource should contribute to the economy in more ways than simply through direct revenues such as royalties and taxes. Ideally, projects should also play a large role in developing the capability and experience of Australian industry and the skills base of our people.

The committee has serious doubts about the way in which local content in this major project is currently measured. It does not adequately focus on the amount of value added in Australia, and it rarely involves an examination of what happens below the primary contract level. The figures on Australian industry participation levels come virtually exclusively from the developers. In calculating those figures, the developers first exclude from the calculation work which they decide Australian contractors would not be capable of carrying out. Australian participation is then measured as a proportion of what remains. This method would throw up quite different levels of actual participation, depending on what Australian contractors are deemed to be capable of providing.

The federal departments of Primary Industries and Energy, and Industry, Science and Tourism apparently accept developers' figures for local content without any independent examination. Without suggesting that the developers have inflated local content figures, it remains true that there is no adequate mechanism at present to provide independent verification. An important question is: to what extent do Australian firms who are successful tenderers procure the goods and services they require from domestic or overseas sources? In other words, to what extent is there leakage of Australian content below the primary contract level? DPIE and DIST had little to contribute to the inquiry on the question of leakage of local content or on possible improvements to the methodology for measuring local content.

Local content levels are often quoted in an aggregated form and, without further analysis, may be misleading. Ideally, local content data should give information about the nature of the contracts won by Australian industry. Such a breakdown would show local participation levels in the more specialised and skills intensive areas which are so important to the development of Australia's industrial and technological capability. Local content data should also allow analysis of possible lost opportunities—that is, areas where local firms have the ability to supply goods and services but do not win contracts.

The effectiveness of current policy and the desirability of alternative policy options cannot be evaluated properly without comprehensive information about contracts which have been let and the amount of value added in Australia in the performance of those contracts. For that information to have credibility, it should be collected in a transparent manner which eliminates any perception of bias or distortion.

The development through industry consultation of an agreed method of calculating local content should be a high priority. This should include an examination of leakage of Australian content below the primary contract level. The data should be reported by industry for analysis by DIST and Isonet.

The committee received evidence supporting the role played by the Oil and Gas Consultative Group on local content—a group established in 1990 to facilitate communication between the various players in the industry. The committee discovered that DIST had ceased to provide secretariat support to the group which, consequently, has had only one meeting since August 1994. This information was not volunteered by DIST but came to the committee's attention from other sources. DIST stated that the Oil and Gas Consultative Group was not an effective mechanism but could not indicate the use of any formal evaluation procedures in making this judgment.

The committee believes the re-establishment of such an informal information channel would be beneficial to all parties. The committee recommends that the Oil and Gas Consultative Group be reactivated and properly resourced by DIST with the minister as chairman.

There is broad agreement that, if Australian industry is to compete more readily with South-East Asia, a world-class waterfront engineering facility must be created. Modularisation is now the preferred method of constructing and delivering parts of platforms and plants for remote locations. The absence of such a facility has precluded local industry tendering for prefabricated modules.

The committee is pleased to note the recent announcement of a \$200 million redevelop-

ment at the Jervoise Bay-Henderson Industrial Estate on the eastern shores of Cockburn Sound near Perth. This development will be funded by the federal and Western Australian governments and the private sector.

In 1990, all state and federal industry ministers agreed to a policy on participation by domestic industry in major projects. This included a statement that local industry should be given full and fair opportunity by developers to participate in major projects. It was suggested to the committee that a number of project developers deliberately ignored the policy. Evidence was tendered to the committee that, where developers had pre-existing alliances with overseas firms, Australian industries were not given the opportunity to tender for work. The committee's report details the development of the Laminaria field in the Timor sea where this kind of alliance arrangement precluded any significant Australian industry involvement.

The committee recommends that there should be an investigation by the Australian Competition and Consumer Commission of whether alliances between developers and overseas firms for goods and services to be used in Australia have resulted in anticompetitive behaviour. The title of this report, *A sea of indifference*, reflects what the committee considers to be the attitude of the federal bureaucracy to the significant opportunities for Australian participation in the sustainable growth which offshore gas and oil developments should provide to Australian industry.

We are told that the federal bureaucracy is characterised by inertia and lack of coordination. Indeed, both the Department of Primary Industries and Energy and the Department of Industry, Science and Technology should play a more active and significant role in promoting and fostering local industry content in major projects.

A primary responsibility of the federal government in relation to offshore gas and oil projects is the issue of exploration permits. Ten years ago, the primary criterion for issue of exploration permits was to maximise the assessment of petroleum potential in the permit area. Secondary criteria came into

effect if no applicant could be identified as superior when assessed against the primary criterion. These secondary criteria included the intent to source goods and services in Australia, the willingness of foreign companies to transfer skills and technology to Australians and the intention to undertake research and development in Australia.

DPIE informed the committee that the secondary criteria had not been used in the 10 years to 1996 and had since been dropped. It appears to the committee that, by never considering the secondary criteria for the grant of exploration permits, DPIE successfully avoided a broader commitment to Australia's national interest.

The committee believes that at the very least DPIE officers should promote the national content policy actively and early in discussions with explorers and developers. The committee has therefore recommended that the Minister for Primary Industries and Energy direct his department to require those seeking exploration permits or production licenses to commit themselves to: maximise opportunities for local industry involvement, provide details of how this will be achieved, provide data which will allow analysis of value added in Australia, maximise the transfer of skills and technology to Australians and undertake research, development and design in Australia to the maximum extent possible.

In concluding, I would like to thank the members of the committee staff, Mr Paul McMahon and Ms Lexia Bain, and members of the committee. (*Time expired*)

**Mr BEDDALL** (Rankin) (12.41 p.m.)—I rise to speak on the tabling of the report entitled *A sea of indifference* by the Standing Committee on Industry, Science and Technology on the North West Shelf gas project. I had the honour of being the deputy chair of the committee in this parliament.

As we have heard, during the 37th parliament the committee commenced an inquiry into Australian industry participation in major projects. I was delighted to see that the committee decided to take a case study approach with the first project being the North West Shelf gas project. After the 1996 election, the committee sought re-referral of the

terms of reference so that the inquiry could be completed.

I have had a long association with this project, in particular as the chair of the committee back in 1989 and subsequently as resources minister in the Keating government. Back in 1989, I had the privilege of chairing the House of Representatives Standing Committee on Industry, Science and Technology which inquired into the North West Shelf and presented a report entitled *A sea of lost opportunity*. At that time, the construction of phase III was just beginning, that is, the Goodwin project. The committee reviewed back then local industry participation in both phases I and II and made recommendations to the then minister aimed at maximising opportunities for local industry development.

The North West Shelf gas project has been described as the biggest resource project ever undertaken in Australia. The estimated investment in the project is over \$12 billion. For some time now, there has been a general view held that the resource development in the north west will expand considerably in the coming decades. This is good news for the local and Australian economies.

The committee found that significant factors affecting participation in the project by local industry included the technology changes in petroleum extraction, a trend towards alliances and the way in which the federal and state bureaucracy perform their roles within this important industry. ABARE predicts that gas exports in Western Australia alone will reach \$20 million tonnes a year by the year 2010. This will provide somewhere between \$1.5 and \$3 billion a year to Australia's export earnings.

A number of companies have already queued for development off Western Australia over the next few years. This will mean a doubling of investment in Western Australia's oil and gas infrastructure. Companies like Woodside and Shell have begun a joint venture feasibility study involving their existing permits.

The committee has made a number of key recommendations which I wholeheartedly support. Like most government decisions, the committee believes there must be a clear

indication as to when the government intends to implement the committee's recommendations. In particular, recommendations like 3.4 will greatly assist the project. That recommendation states:

That the Committee recommends industry assistance programs be delivered by a single administrations unit within the relevant agency which would be responsible for consistency of approach within the agency.

This will be assisted, we hope, by the new agency, Invest Australia, being established by the Howard government.

Since the 1989 report, the committee has found a trend towards alliance arrangements. As a result, local firms have felt that they have not received fair access to tendering or that key contracts did not go to tender at all. The committee felt that there were sufficient grounds for an investigation to be held into the preference of petroleum developers to use overseas firms with whom they already have arrangements. The question is: does this fit into the government's policy of fair opportunities for Australia's suppliers to compete?

This is an important industry for Australia, and I am sure that all members of the House will look forward to the government's response to this report. I caution the government that there will be difficulties in getting the Public Service to accept some aspects. I can say from personal experience that many people in the department of primary industry think their role is only to assist exploration and not to make sure that Australian industry gets a reasonable go.

I thank all the people on the committee, and particularly the secretariat. This is an unusual report that has gone over two parliaments—from the 37th and into the 38th parliament. It is a great challenge for the government to come up with policies. As more and more gas and oil is discovered off the north of Australia, there is opportunity for a very significant Australian industry to be developed. If the government takes this report seriously, that opportunity can be realised. I commend the report to the House.

**Mr RICHARD EVANS** (Cowan) (12.46 p.m.)—This is a very significant report, because it is the follow-up of the 1989 report

that was spoken about by the previous speaker, the honourable member for Rankin (Mr Beddall)—a report called *The North West Shelf—A sea of lost Opportunities*. This one is called *A sea of Indifference*, and everything in it relates to the title—the sea of indifference when it comes to people getting excited about the entire project.

First, I wish to extend an appropriate thank-you to the secretariat of the committee. Lexia Bain, for instance, has spent a lot of time writing this report, along with Paul McMahon. I also thank Frances Wilson for her assistance. It has been difficult to perform this task over the last two parliaments. Second, I think we should also thank Woodside for inviting the committee out on two occasions to their North Rankin set-up, which we found very significant in our understanding the whole project and what it meant. Third, I also express thanks to the previous committee in the last parliament, because they did put in a fair bit of effort.

As I said, this report limits itself, because in the past there has been an indifference to the North West Shelf. Not many in this place or in Australia would know much about Western Australia and the North West Shelf as a development. For those who do not know a great deal about Western Australia, I would like to list a couple of things that have happened with non-renewable resources in Western Australia. For instance, Western Australia has the biggest diamond mines in the world, producing 38 million carats of diamonds annually. Western Australia produces billions of dollars of iron ore exports every year. For instance, for the 1996-97 financial year, Western Australia exported \$3.1 billion worth of iron ore, which is 99.9 per cent of Australia's total.

Western Australia is the fourth biggest producer of gold in the world. It exported \$2.9 billion worth of gold last year, 62 per cent of Australia's total. We also have natural gas which amounted to \$1.5 billion worth of exports, which is 100 per cent of the Australian total because we are the only place which has national gas at the moment. Western Australia is the biggest exporter of alumina powder in the world and is the fifth biggest



producer of nickel in the world. In Western Australia, ore minerals totalled 7.4 billion worth of exports, which is 32 per cent of the Australian export total.

What I am saying is that Western Australia in particular is where a lot of our major projects are happening. There is also anecdotal evidence that a lot of people come to Western Australia because the opportunities are great there, specifically for engineers. But they are coming from overseas; there are not many local people getting involved. At a party in the last 12 months I was talking to an American who worked for one of the major companies in Western Australia. He said, 'It is great. We come in here. We pay little for the licences. We drill and take out all this stuff, and all we pay is a very minor royalty.' This report is confirming that—that there needs to be a greater benefit to the broader community of Australia than just royalties and licences. So in the report we are asking that the government, through its negotiation prowess or through other commitments, gets involved with the development of Australia through major projects, in particular in Western Australia and certainly with the North West Shelf, as our case study shows.

The chairman of the committee also talked about Jervoise Bay. We took a lot of evidence in Perth about Jervoise Bay, and I think that the announcement that the Prime Minister (Mr Howard) and the state government made recently about Jervoise Bay was significant, because the union movement and most businesses over there are very supportive of the Jervoise Bay development. We took a lot of evidence of materials being sent in from overseas not being appropriate.

In conclusion, this is a very significant report. It requires the government to act by way of getting the public servants—or the bureaucracy, if you like—on line and attuned to these major projects. If we do not, we are going to lose significant benefit in Australia from handling major projects. We have a great future in Australia with our natural non-renewable resources. Unless we can tap in with our technology, with our people and with the broader community, it will be a lost opportunity. We cannot see the situation

represented in a report such as *A Sea of Indifference* continue. We need action, and I will be looking forward to the government's response to our report.

**Mr ALLAN MORRIS** (Newcastle) (12.50 p.m.)—Like the member for Rankin (Mr Beddall), I took part in the inquiry in 1989, during the previous parliament, as well as this one. At the outset, I express my appreciation to Paul McMahon and Lexia Bain from the secretariat. Lexia took over the inquiry only in this parliament, so she had to catch up on the previous hearings and so on.

I also want to make it clear that when the committee sought the renewal of the terms of reference from the current government the minister chose to limit those terms of reference. The current inquiry is actually much narrower than the one which was initiated previously. I particularly want to make that point, because the previous committee actually visited Port Hedland and talked to BHP about their hot briquetted iron project, which many of us saw as being a major project in terms of Australia's future development, of adding value to its resources and to its infrastructure. The revised terms of reference effectively excluded the continuation of that line of inquiry. Of course now we all understand that that particular project is probably the one that will destroy, if it has not done so far, BHP as we know it. Unfortunately, the committee could have been part of understanding what went wrong there and why and how, and it is quite tragic that that was excluded.

This whole issue of the exploitation of our resources, the building of infrastructure, how much of it there should be and how it impacts on Australia is one of the great longstanding issues this nation has had and will have way into the future. It may still have it long after the resources have gone and, quite frankly, many of us are worried that in years to come people will see this generation as having squandered the opportunities that were presented to us. The report expresses great alarm at what is not being done. Rather than thinking about what politicians are saying, I will quote a couple of aspects of the report. On page 34 of the report Richard Dowe, from the

Heavy Engineering Manufacturers Association, says in relation to the federal government:

. . . no departments work with each other. If there is a cross-referencing, it is minimal. The Department of Primary Industries and Energy is not concerned with industry policy: It never has been.

Mr Geoff Suttie from the Western Australian Department of Resources Development says in terms of federal government involvement:

Where there is not a lot of activity . . . is in Canberra . . . There is virtually no activity that I am aware of at all: in fact, there is negative activity . . .

In other words, two extremely important people—one from the national body of companies that invest and have heavy engineering capacity and one a state bureaucrat—are saying that there is a real problem.

The report puts forward a number of recommendations to the government to try to encourage and urge, yet again, a more proactive effect, but the fact is that it requires more ministerial commitment. We can say all we like, departmental staff can say all they like, but a government must be committed to action, and that is where this report is aimed. It is not aimed at the bureaucracy, it is aimed at the government and at the ministers of the day. These gaps in communication and liaison are fundamental. Dr Evan Jones from Sydney University, who has been a regular contributor to this inquiry and to others and has a vast knowledge of Australian industry involvement, says:

Constant vigilance and political toughness from all levels of government are thus in order down the track.

In other words, he is saying it is not good enough to have policies, it is not good enough to have reports; there has to be political toughness. Ministers have to be out there pushing the agenda because, quite frankly, the forces that are ranged against us are enormous. When one asks Shell, for example, as I have at times, 'Who is your main competition for your North West Shelf gas?' the answer is 'Shell Dubai.' Similarly, ask Rio Tinto where their main competition comes from and the answer is Rio Tinto Indonesia. In other words, these companies are located in a number of countries and they are compet-

ing with each other. So the same company is using our resources in competition with Dubai's resources. These companies are much bigger than us, they are much bigger than most countries, and we are very small players with very large resources. We have to be particularly tough. We need good policies, great strength and pro-active government. The report simply starts the process. It is important the ministers take it on. (*Time expired*)

**Mr SPEAKER**—The time allotted for this debate has expired. Does the member wish to move a motion in connection with the report to enable it to be debated on a future occasion?

**Mr REID** (Bendigo)—I move:

That the House take note of the report.

I seek leave to continue my remarks later.

Leave granted.

**Mr 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.

Leave granted; debate adjourned.

## PRIVATE MEMBERS BUSINESS

### Child Labour

Debate resumed from 23 March, on motion by **Mr Tony Smith**:

That the House:

- (1) condemns the practice of child labour and calls on governments around the world to do all in their power to outlaw this evil practice; and
- (2) calls on governments and the private sector to boycott products from countries that use children in this shameful way.

**Mr JENKINS** (Scullin) (12.57 p.m.)—The motion before us today calls in part for the House to condemn the practice of child labour. On behalf of the 250 million children between the ages of five and 14 working in developing countries, I believe the House should do so. Of those 250 million children, 120 million are in full-time employment, 130 are in part-time employment; 61 per cent or nearly 150 million are in Asia, 80 million are in Africa and 17½ million are in Latin Ameri-

ca. Unfortunately, child labour also exists in many industrialised countries and is emerging in eastern European and Asian countries which are in transition to a market economy. Studies on outworkers in the garment trade in Australia indicate that children of some of those outworkers are well and truly involved in that work. The UN Convention on the Rights of the Child states:

... the right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous, or to interfere with the child's education, or to be harmful to the child's health or physical, spiritual, moral or social development.

That is the type of child labour that we should concentrate on in debating this question.

The motion before us also goes on to call on governments to do all in their power to outlaw child labour and calls on governments and the private sector to boycott products of child labour. Over the last four years, I have had the opportunity on a number of occasions to discuss and debate the question of child labour in this place. I must admit that early on I had the rather simplistic notion that social clauses in trade agreements or trade boycotts might simply be the answer. But the more I study, the more I understand that this is a very complex question and that, when we put up proposals, we have to put them in context.

In the United States there was the Harkin bill, the child labour deterrence bill. The experience post the Harkin bill in a country like Bangladesh was that some 50,000 children were forced out of predominantly the rag trade. What happened, in the absence of any alternatives, was that they were forced out onto the streets. Some of them took up things like prostitution but certainly we did not get, simply because of the Harkin bill, the type of outcome that perhaps that piece of legislation was designed to achieve.

If we are to become signatories to important international agreements—and I note that Australia is still to become a signatory to ILO Convention 138 on the minimum age for admission to employment, and I hope that at some stage the government will see its way

clear, even if just for symbolic reasons, to enter into that agreement—we really need to do so to give the signals.

Also, if we are going to take the actions, I think there is merit in adopting a type of trade boycott, or a boycott through educating consumers. At the end of the day, if consumers want children to be educated and not forced into work for economic reasons—and, therefore, to be replaced by adult workers—they may have to pay higher costs for articles. They have to understand in that context that they are doing that for a positive reason.

If we are going to have schemes such as the Rugmark Foundation scheme, where rugs are certified as not being produced by child labour, an element of that scheme should be that children displaced from work should be encouraged into education. Secondly, such programs ought to be undertaken in conjunction with the many aid agencies that work in those countries and amongst those people, because this measure will have detrimental economic effects on the families of those children. We must ensure that things are done with aid programs, NGOs and governments cooperating.

The Parliamentary Secretary to the Minister for Foreign Affairs (Mrs Sullivan) is at the table. I acknowledge her great commitment to the area in which she has policy responsibility—aid issues. I hope that she is able to continue a determined fight to increase funding for aid in totality, but also to ensure that we are involved in the types of schemes that are put forward by the ILO through IPEC and other such schemes. The aim of those schemes is to reduce child labour, but to reduce it in a way that does not overly affect the economic situation of the families of those children, and which also gives the children opportunities to go into education and to be trained for other careers. (*Time expired*)

**Mrs ELSON** (Forde) (1.02 p.m.)—I rise today to condemn the practice of child labour and endorse the call from the member for Dickson (Mr Tony Smith) for all governments around the world to do all in their power to outlaw child labour. Children are our most precious resource—and, indeed, they are any country's most precious resource. They are

our future and they deserve to be cared for, nurtured and given every opportunity to achieve their very best. This is a premise which we take for granted. It is something on which there is universal agreement in the Western world.

Here in Australia, we have education requirements and industrial relations laws which ensure that children have the benefit of substantial education and that, when they do enter the work force, they are protected by workplace health and safety regulations. That is something which, once again, we rightly expect. May I take this opportunity to reaffirm the Howard government's unshaken commitment to providing even better education and even more work opportunities for young Australians. Improving literacy standards and increasing overall education funding is the hallmark of our approach.

However, sadly, around the world there are children working whose wages and workplaces could not be described as fair by any stretch of the imagination. The governments of the nations which have widespread child labour very often have little or no commitment to education. In areas where child labour is prevalent, often there are no schools at all. We all recognise that poverty is at the heart of child labour. The Director of the International Child Labour Study Office at the US Department of Labour, Sonia Rosen, told the Congressional Human Rights Caucus forum on the international exploitation of children:

The most common explanation given for persistence of child labour in all parts of the world is poverty. As segments of the population get poorer, children are often compelled, or required, to work in order to contribute to their family income. Although poverty may be one determinant for whether a child works, it does not end the life of poverty for a family. Indeed, it may only perpetuate the cycle—children do not complete their education, nor are they taught skills which enable them to leave an industry for higher-wage occupations. The vicious cycle continues to trap poor working children.

Even worse than the fact that very young children have to work is the conditions under which they have to work. As Sonia Rosen said:

Some of the abuses inflicted on children in the workplace are truly horrible. For example, children

work in unventilated glass factories where furnaces reach 1400-1600 degrees Celsius, as we found in India. In Indonesia, boys aged 10-18 work on fishing platforms off the coast of Sumatra, where they are held as virtual prisoners for up to three months at a time. In many countries, young girls are sold into prostitution, often trafficked long distances. This is simply intolerable.

I am sure that every member of this House would agree that the conditions they live under are insidious and barbaric. We need to encourage the nations which allow child labour to take positive steps to address the root causes and to assist families which feel compelled for financial reasons to send their children to work.

As a mother of eight, I wholeheartedly condemn the practice of child labour. Children everywhere deserve the very best possible start and, beyond any doubt, this should include the opportunity to be educated. I would agree with the member for Bradfield (Dr Nelson) that Australians have joined the rest of the world in being far more preoccupied with the soap opera antics of the royal family and the US President than with the injustices done to children who are underfed and are the victims of slave labour.

As a country and as a government, we need to show that we care about the needs and wellbeing of children, regardless of what country they are born in. We need to become more involved, and to share our skills and knowledge to encourage countries in poverty to break the cycle. This does not necessarily mean sending more money their way. Supplying resources, manpower, education and tools would greatly improve the chances for the 100 million children between the ages of six and 11 in poverty-stricken countries to be educated, and thus to increase their chances, through education, to break the poverty cycle.

I commend the mover of this motion, the member for Dickson, and I join both sides of this House in strongly supporting this motion. I would also like to take this opportunity to congratulate each and every Australian who gives of their time overseas, and the Australians at home who are supporting and sponsoring education for children in impoverished countries.

**Mr DEPUTY SPEAKER (Mr Nehl)**—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.

### Domestic Violence

**Mr EOIN CAMERON (Stirling)** (1.07 p.m.)—I move:

That the House:

- (1) expresses its abhorrence of domestic violence;
- (2) notes that children are as much victims of domestic violence as women;
- (3) welcomes the Government's initiative, 'Partnerships on Domestic Violence', to further address the consequences of domestic violence and prevent it from happening in the future;
- (4) notes that children who are exposed to domestic violence suffer psychological, behavioural, developmental and physical problems, as a result, and that many children who are exposed to domestic violence unfortunately grow up accepting it as a fact of life;
- (5) urges greater consideration of children in seeking solutions to domestic violence and providing resources to protect victims of domestic violence and prevent domestic violence in the future;
- (6) encourages the federal and State government's to maintain funding to prevent domestic violence and protect victims of it; and
- (7) urges all Australians to be open in their revulsion of domestic violence by speaking out against it, reporting it and assisting victims of it.

There are very few more repugnant acts than that of a man hitting a woman. Domestic violence is a curse in our society which must be brought out into the open so that the innocent victims of domestic violence, mainly women and children, are given greater protection. It is wrong in our society that men—and I will be deliberately sexist here because men are the main perpetrators of domestic violence, although they are occasional victims too—can act in the belief that women are subordinate and that abuse, whether verbal or physical, is acceptable in any way, shape or form.

It is also imperative to acknowledge the devastating impact domestic violence has on children in the household in which it occurs. Many children grow up thinking that hitting

a woman is acceptable because that is what happened during their formative years. When they grow up thinking that this is acceptable, they develop the view that they can hit their partners, or should be hit by their husbands or partners, and that it is simply a fact of life. Thankfully, we have some wonderful refuges in this country which offer protection for women and children. Unfortunately, although women are normally the victims of domestic violence, they end up being the ones who must leave their normal abode whilst the perpetrators—their husbands or partners—can continue to relax in the comfort of the house, despite the horrendous acts that they have perpetrated.

In November last year, I tabled a report on the situation of children in women's refuges in Australia highlighting particularly the lack of programs for children. I subsequently called for government programs to focus more specifically on children exposed to domestic violence. That report, which prompted this motion, was written by a student intern, Ms Elizabeth Lang, who was visiting Australia and working from the Australian National University. I asked Elizabeth to write the report after consultations with a social worker from the City of Stirling, where the main local government body in my electorate is located, who was concerned about the impact of domestic violence on children and, in particular, the need for women's refuges to have programs aimed at children as well as the women, who are the obvious victims.

Because children may not actually be involved in domestic violence, their needs are often ignored. In many cases, however, this leads to a continuation of the violence as children learn that violence is an acceptable means of problem solving. We all know that our parents were our first teachers, so it certainly is logical that what we do is something our children will watch and often try to emulate. Domestic violence once used to be a particularly private issue. Today, thankfully, it is very much a public issue, and it necessitates governments around Australia being proactive in providing policies to counter domestic violence wherever it occurs.

According to the Australian Bureau of Statistics, 6.8 million women have admitted that they have been the victims of domestic violence at the hands of a male partner—a staggering figure. It goes without saying that the victims lose their self-esteem. They have feelings of shame, guilt and fear, very often unfounded—except perhaps in the case of fear. Women's refuges are an important resource in assisting the victims of domestic violence to be independent. They are important because many women do not have the financial resources to leave an abusive partner; the refuges are often their only escape. A particularly unfair aspect of domestic violence is that the victim must escape the comfort of their own home through no fault of their own—and that, plainly, is wrong. However, they are powerless to throw out an abusive partner, hence the need for such refuges.

Refuges provide safe accommodation for an average 2,083 women every night around Australia. However, they are only, at best, very temporary housing. Of the women who stay at a refuge, 37 per cent stay for four to 13 weeks and 49 per cent stay for only one to three days. Many women go back to their abusive partner for a variety of reasons: they want their children to be in a family environment—they believe their husband or their partner has changed—and some still love their partner despite what their partner has done to them. Some, unfortunately, go back out of plain fear. For those women who do not want to live with their partner, the refuge workers assist in finding accommodation for them and their children. It is also worth noting that we have some terrific public housing in this country which assists victims of domestic violence in gaining independent accommodation. That has happened many times in my own electorate of Stirling.

All people involved in public policy can contribute to reducing domestic violence. Funding and policies are provided by all tiers of government to assist victims of domestic violence. As I said previously, the issue of the need for programs for children at refuges was brought to my attention by a social worker from the City of Stirling. A requirement for refuges receiving government funding is that

they must meet minimum standards. These, of course, pertain to the safety of their clients, health standards, and so on. For those victims of domestic violence who take children, the refuges must meet the needs of each child. Obviously, the change in routine for the children, who are used to living at home with mum and dad, is very debilitating. It can affect their school work, their behaviour, their attitude and many other factors of their lifestyle. Over the long term, this places a heavier burden on society. It seems we have a revolving door of children growing up in less than ideal circumstances and developing the attitude that they are able to hit women or that they should be subordinate to men.

Furthermore, children whose lives are shaken by such problems can have learning difficulties, which makes it far more difficult for them to get a higher education and employment opportunities when they get older. One cause of domestic violence is financial difficulties. Those problems will be continued when the children are brought up in circumstances which involve violence or when they are living in emergency accommodation, living in fear and being sent to numerous schools throughout their childhood.

There is also the problem of an insufficient supply of refuges. Over two weeks in September 1995, 1,317 new arrivals were accommodated, but 1,642 could not be. Without a family unit or friends for support many people go back to the place from which they were trying to escape, and thus the problem is obviously exacerbated. Children are the majority of residents in refuges, although it is often the needs of their mothers that are the main focus. However, the children need to learn how to cope with their emotions, the violence they have witnessed, and their new environment. When a child is taken from home because their mother has been abused, they leave behind so many familiar things—their home, their toys, their clothes, their friends, their schools and, of course, their fathers. They leave all this behind to go into an overcrowded shelter to share things with six to 20 other children whom they do not know. No doubt this is not an ideal upbringing for any child.

It is important to stress that the workers at the refuges where children go are, by and large, wonderful people who are totally devoted to both the mothers and the children. That is indisputable. However, the needs of children are often greater than the refuge can provide. Therefore, it is imperative we seek to deliver to the refuges the resources they need to adequately cater for the needs of the victims of domestic violence, both the women and children.

One important position is that of a counsellor, and no refuge should be left without a counsellor. It is important so that the children at refuges have someone with whom they can discuss the many things going through their minds, including blaming themselves for the violence against their mother. There is also the requirement for group therapy, and programs aimed at delivering this are essential. We take great comfort in the support we receive from our peers, and the children at shelters can benefit from the friendship and support of those who have been in a similar position to them.

Domestic violence is an abhorrent act. Those who perpetrate it are not tough; they are cowards. But they must be stopped. We need to provide policies to reduce any possibility of domestic violence, but the community can also play a role in being open and loud about its revulsion of domestic violence and helping those victims of it.

Most importantly, we need to provide for the needs of the children. They need to be allowed to talk about the situation, they need to be reassured of their importance, they need to share their feelings and they need to be made aware that they are loved and cared for. That is why they need programs to help them overcome the experience of domestic violence so they can move on with their lives. Without such programs, not only will they suffer as children, but as adults they will be more likely to continue the vicious cycle of violence. I commend the motion to the House.

**Mr DEPUTY SPEAKER (Mr Nehl)**—Is the motion seconded?

**Miss Jackie Kelly**—I second the motion and reserve my right to speak.

**Mr ALBANESE (Grayndler)** (1.16 p.m.)— I am pleased to speak in the debate on the motion before the House today and congratulate the mover of the motion, the member for Stirling (Mr Eoin Cameron), for bringing this issue to the attention of the House. If there is one thing about the issue of domestic violence that we can all agree on, it is that it must be brought out into the open and discussed if strategies are to be put in place which can eliminate it and protect the victims of domestic violence, in particular women and children.

It was only 24 years ago that the first women's refuge for women victims of domestic violence was established in Sydney. Prior to that there were no services whatsoever. People pretended that it did not exist and liked to sweep it under the carpet. By about 1979 there were about 100 refuges available for women escaping domestic violence. In 1985, under the federal Labor government, the supported accommodation assistance program was established which had total funding for 1997-98 of some \$225 million, of which \$88 million was allocated for services for women escaping domestic violence.

I want to also draw to the attention of the House today in this debate just how rife domestic violence is in our community. The Australian Bureau of Statistics has reported that in the 12 months prior to the 1996 women's safety survey seven per cent of Australian women experienced an incident of violence. The bureau also found that women who are married or in a de facto relationship are more likely to have experienced violence by their partner than by another man known to them or by a stranger.

The *Australian* reported on 11 March 1998 that more than half the country's murders, two-thirds of the country's sexual assaults and almost 40 per cent of the country's assaults occur in the family home. One of the most shocking statistics revealed by the ABS is that pregnancy is a time when many women are vulnerable to abuse. Of those people who had experienced abuse by a previous partner, 701,200 had been pregnant at some time during the relationship. Some 42 per cent of these women experienced violence during the

pregnancy. Some 20 per cent experienced violence for the first time while they were pregnant.

The figures speak for themselves. Domestic violence is a problem that dominates Australian society and permeates every suburb in every town and every city. There are hundreds and thousands of Australian women and children who every day live with the terror of violence. They live in their own home fearing every minute for their physical and psychological safety.

This motion supports wholeheartedly the government's new initiative, Partnerships Against Domestic Violence, and further encourages all governments, federal and state, to maintain funding to prevent domestic violence. While I support all government funded action against domestic violence, I cannot help but agree with Dr Patricia Eastel, a criminologist with the Faculty of Law at the Australian National University, who wrote in the *Age* on 10 November 1997:

Given the small amount of money offered by Mr Howard his proposals might be more analogous to a tiny drop of anaesthetic in the corner of the wound.

The important point to make here is that it is very easy to make grand statements about the maintenance of funding to prevent domestic violence, but it has to be acknowledged that simple domestic violence programs per se do not mean that the problem is solved. The strategy has to be broad and all-encompassing. Domestic violence is a result of many social factors. It is a result of the way men, in general, treat women. It is the result of many years of gender conditioning and the belief that many men have that they own their wives and partners and that they have a right to control the way their families live.

The Australian Bureau of Statistics recently revealed that there is a correlation between socioeconomic status and incidences of domestic violence. *Australian social trends 1997* reads:

In 1996 over 10% of women from the most disadvantaged areas had experienced an incident of violence in the past twelve months. The prevalence rates for other socio-economic groups were within a narrow band, between 5.8% and 6.7%.

The point I am making today is that this government is praising itself for injecting \$25 million into its partnerships program while at the very same time it has decimated the other major social support mechanisms that help prevent the circumstances which lead to domestic violence. This government has cut over \$120 million from legal aid. How are women suffering from domestic violence expected to seek redress in the courts without legal assistance? These cuts have meant that 30,000 Australians per year, mainly women, are not able to get the protection that they need. They have cut \$4.2 billion from education and training, \$800 million from child care and \$800 million from public hospitals.

The point I am trying to make is that these are the social support mechanisms which are so necessary to help families in times of stress, because you cannot view domestic violence in a vacuum. It is intrinsically linked to many other social problems within our society, and until we properly address the inequalities of wealth, of opportunity, and of gender we can never truly impact on the problem of domestic violence.

Substantial progress is being made. The National Domestic Violence Summit agreed on a statement of principles by heads of government and those principles are very important. They were as follows: firstly, that all individuals have the right to be free from violence; secondly, that all forms of domestic violence are unacceptable in any group, culture and creed; thirdly, that many forms of domestic violence are against the law—acts of domestic violence that constitute a criminal offence must be dealt with as such—fourthly, that the safety and wellbeing of those subjected to domestic violence must be the first priority of any response; fifthly, that those who commit domestic violence must be held accountable for their behaviour; and, sixthly, that the community has a responsibility to work toward the prevention of domestic violence and to demonstrate the unacceptability of all forms of domestic violence. Certainly, motions such as this in the national parliament are part of that process and why I am happy to be speaking in this debate, whilst



unhappy that any of us have to speak in this debate at all.

The New South Wales government is undertaking, through the establishment of the New South Wales Council on Violence Against Women, the creation of a specialist unit within the New South Wales Attorney-General's Department which has 17 regional violence prevention specialists who are working in their communities and consulting with their communities to try to work out strategies and to provide support for women and children who are suffering from domestic violence.

The New South Wales Police Service has strategies such as patrols, nominating domestic violence liaison officers, a major media campaign to encourage victims to call the police to report problems and the issuing of 17,000 apprehended violence orders last year—all of which mean that the police are working in a constructive way to try to provide support. The New South Wales government has also provided \$9 million for health services, including a network of 46 sexual assault services across New South Wales with 24-hour emergency services.

To conclude, there is a discussion paper in New South Wales that has been released on model domestic violence laws because there is a need for national laws on this issue so that people cannot escape their legal obligations by moving interstate, as has often been the case. My final point is to call upon the government to resist the calls from some states for weaker gun laws because guns are often used in domestic violence. The issue of gun laws is not just about massacres; it is about guns being used in the home against members of their own family. (*Time expired*)

**Mrs WEST** (Bowman) (1.26 p.m.)—I commend the mover of this motion on bringing to the attention of the House and of the community at large such a disturbing issue that affects so many in our community. The incidence of domestic violence is in all likelihood understated. However, there is adequate evidence, albeit anecdotal due to the circumstance of the subject, to suggest a significant amount of domestic violence still goes unreported.

It is only a matter of speaking with doctors, nurses and community welfare and support workers to discover the real level of domestic violence in our society. In a recently researched article by Margo Watson for *Quest Newspapers* in Queensland, Miss Watson states, 'I've found domestic violence is a bigger problem across all classes of society and it needs to be addressed as a crime,' because that is exactly what it is: criminal assault in the home. In her report, Miss Watson outlines the cycle of violence; that unless the cycle is broken, family violence will continue. It is also to be noted, as part of the treatment of domestic violence, that anger management is an integral part of the rehabilitation process.

During my speech to the House on the investigation into men's health, I alluded to domestic violence perpetrated by juvenile males against their single parents. The perpetrators were generally subteenagers and mainly males. I am concerned at the link or the catalyst nature of so-called entertainment and the promotion of violence by cinema, video, television and television news. We have developed production techniques to such an advanced state that it has resulted in murder, mayhem and violence becoming on-request commodities in our living room.

Consider how simple and convenient it is to switch on and off what I consider to be the most invasive medium of influence. In our busy workaday lives I believe time is an investment. Time spent by a parent in making himself or herself aware of the programs, videos, games and other so-called entertainment devices to which their children might be exposed may reveal this medium to be not as innocuous as they would like to think. Consider the subliminal messages presented over and over every day for 10 years or more on very impressionable young minds. It is imperative to ensure the children and youth of Australia are capable of knowing the difference between reality and fantasy. So strong is the technology today that realising this difference becomes difficult—even for some adults.

Domestic violence is often a product of individuals being unable to resolve personal conflicts and interpersonal relationships that

result from the pressures of everyday life. How people deal with this conflict is a skill that can only be taught or is generally modelled for children by adults or their peers. Behaviour management in schools is an integral part of today's daily practice in primary schools. It may not have been called that 30 years ago, but then teachers 30 years ago did not have to deal with the range of behavioural difficulties exhibited by some children in schools today.

Contributing factors to the outbreak of violence in the home must include the realisation that self-control is a little understood practice in the minds of the perpetrators. Lack of respect for a person's opinions and beliefs must also be a contributing factor. Poor communication of interpersonal relations is a trigger that is overlooked as a method of resolving such conflict. Domestic violence breaks down the bonds of trust, security and certainty, and builds fear of physical and mental anguish. Any person subjected to long-term physical and mental scars of unpredictable manipulative abuse cannot grow up to lead a normal, healthy, happy life. Parents play the key role in ensuring that a home is a happy, loving, safe place for themselves and their children.

There is a clear need to look at early intervention programs along with a general understanding of human development, of education and using control mechanisms to repair and prevent further acts of violence in the home or in the community at large. I commend the motion by the member for Stirling (Mr Eoin Cameron) in bringing to the attention of the House the need to be open in our revulsion of domestic violence by speaking out against it. I also call on parents to be mindful of their role and responsibility towards their family members and to be aware of the pressures and triggers for such disturbing behaviours.

**Mr PRICE** (Chifley) (1.31 p.m.)—I am pleased to speak on this motion about domestic violence which says in the first instance that this House express its abhorrence of domestic violence. I will not read the whole motion but I certainly strongly endorse those remarks. Domestic violence is often used to

refer to violence by men against their wives or children. Although violent crime is predominantly committed by men against other men, violence within families can affect men, women, children and the elderly. The use of the term 'family violence' would reflect this.

I suspect that we in Australia do have a problem with accurate data. Although we are gathering increasing rates of data on family violence in selected groups of the Australian population, such as those attending refuges, public hospitals or responding to phone-ins, there is little data on the incidence and prevalence of family violence in the general population, although I think it can be said that we probably follow the United States and Canada, where there have been some very large and extensive surveys.

On the basis of the American and Canadian studies, a paper which I commend to all honourable members by Dr Robyn Seth-Purdie, the consultant to the Social Policy Group in the Parliamentary Library, says that up to five per cent of men and 20 per cent of women may experience spouse assault each year, up to 30 per cent of women and 25 per cent of men have experienced such an assault at some time, and no base rate estimates are available for child and elder abuse.

It is very hard in this era of economic rationalism to estimate the actual cost of such violence, but there has been an estimate of the cost of violence against women in New South Wales—just one state—of \$1.5 billion per annum. These costs include medical treatment, income support, special accommodation, lost productivity, family law services—not to mention the costs of disturbed children and adolescent behaviour and the ultimate production of a new generation of victims and abusers.

Most of the emphasis of the debate today has been around the end costs and end solutions. I want to strongly say that I believe we need to have a much greater emphasis on prevention, and prevention at the earliest time. We often talk about trying to break cycles of poverty. I believe our mission is really to break cycles of violence. In this regard, I want to commend Rooty Hill Primary School, who have taken up a great initiative amongst

some 600 primary school students. They have created a group of peer mediators within the school with the idea of trying to avoid physical conflict but allowing those school yard conflicts to be mediated by other school children. It is these sorts of initiatives that are very critical in demonstrating, particularly to men, that there are ways of settling and resolving conflicts without resorting to violence.

I am particularly concerned that we are lacking in initiatives in this preventative area. I would like to see more government money being spent on domestic violence—certainly, there are always claims on the dollar—really directed towards breaking the cycle of violence, starting with children, so that men, as they go through the teenage years and adulthood, understand how unacceptable violence is but, more importantly, that there are many other ways that problems can be resolved than by resorting to the horror of violence. I support the motion before the House.

**Miss JACKIE KELLY** (Lindsay) (1.36 p.m.)—I commend the member for Stirling (Mr Eoin Cameron) for moving this motion in this House today. I think we all agree that domestic violence is abhorrent and that children of this terrible crime are as much the victims as the males or females who suffer assaults in their homes. The third section of the motion welcomes the government's initiative, Partnerships Against Domestic Violence, to further address the consequences of domestic violence and to prevent it from happening in the future. Today I will look at what we are doing to address this problem.

We have heard from other speakers today about domestic violence and the tragedy that it is and the impact it has on people. My colleague at the table, the member for Warrindah (Mr Abbott), and I cycled from Byron Bay to Penrith, talking to young people along the way who were quite often homeless or in refuges or drop-in centres who came from abusive backgrounds. So we got first-hand experience from the young kids along the way about what they had experienced in their lives. It certainly geared us up to do something about it.

It is important to note that the Commonwealth, states and territories already spend around \$226 million each year dealing directly with domestic violence. It also should be recognised that other forms of violence in families such as child abuse are being addressed through specific legislation and policy measures. In relation to that, this government has announced new Commonwealth moneys over the next 3½ years of \$25 million in its Partnerships Against Domestic Violence program. That program is in addition to the \$115 million per year that is provided to legal aid for indigenous women and rural outreach centres and community legal aid centres. Also, the Commonwealth contributes \$123 million each year to the supported accommodation assistance program and about \$35 million of that is targeting women and children escaping domestic violence. So a substantial amount of money is being spent to combat this crime.

We have further expanded our program on Partnerships Against Domestic Violence to businesses, which can now claim a tax deduction for gifts of the value of \$2 or more to the program. So Business Against Domestic Violence is another initiative adopted by this government to date. Organisations such as Woolworths and McDonald's have undertaken to support this because it is not just the government that pays. I have some figures here that estimate that domestic violence costs our society \$1.5 billion a year in medical costs, lost work and support services. Although half of that is borne by the victims, \$400 million is borne by government and the rest by businesses. So it is in businesses' interests to reduce this crime, to recognise it and to set up systems within their workplaces to cope with it.

Of the \$25 million over the next 3½ years that this government is putting into Partnerships Against Domestic Violence, \$13.3 million will be for new Commonwealth projects which will be developed in consultation with the states and territories. The amount of \$12 million will be for national initiatives and state and territory projects which contribute to national knowledge and practice. Of the new Commonwealth projects,

the Department of Health and Family Services will spend \$5.3 million over three years in its rural and remote domestic violence initiative. That is trying to test models of service delivery to families with adolescent boys who are victims of domestic violence.

We are also looking at relationship support services for men. Often females go back into abusive relationships because, when those relationships are not abusive, they are quite worth while and solid. We find that there is a continual return to those relationships. So if you can work on the males' aggression and reasons for violence you have the possibility of having a functioning family. The best support network for any children in Australia is having a functioning family rather than splitting up and surviving on sole parent pensions. So that support for men is a vital—*(Time expired)*

**Ms MACKLIN** (Jagajaga) (1.41 p.m.)—Briefly I want to raise some questions about our current approach to dealing with violence against women and children, about the kinds of services we need to maximise women's choices and opportunities, and about the kind of society that we need if women's independence is to be strengthened. Ultimately, that is what this agenda has to be about. Violence against women and children has to be looked at in a broader context if we are to see the end of it. That means having governments that actually understand that improving women's position in society requires consistent action on a number of fronts—that is, jobs, wages, education, child care and so on.

What we have seen from this government is in fact a token gesture when it comes to domestic violence. The \$25 million that has been talked about is a token gesture over three years—27c a week for the 500,000 women who experience violence each year. It does not replace even one-fifth of the money that was taken out of legal aid and services for women escaping domestic violence in the last two budgets. The amount of \$135 million has been taken out of legal aid and the Family Court.

Quite clearly, we need a better approach—a policy approach that actually starts from the position that women need the support that

governments can provide, and when governments make decent laws and provide services they are actually strengthening the position of women in society. If we isolate women, as this government seems so intent on doing, we are going to make it impossible for them to participate actively in so many aspects of society.

We need to take a similar approach when it comes to reforms to services for women and children escaping violence. Too often in the past we have had to resort to isolating women and children to protect them. This was necessary in the environment where we saw the legal system unable to guarantee women's and children's safety and where their economic and social vulnerability left them little choice but to flee a situation where they had no power. We even had the language for it—women and children escaping violence.

What I would say to the government is that we have to envisage a system where the perpetrators of violence bear the burden of disruption to family life which occurs after an incidence of violence. In such a system it is the perpetrator of violence who should be removed from the situation, leaving the women and children in the home, the children at school, and friends, relatives and services nearby able to help women in their homes. Put simply, women and children should not have to pay a double price for violence: first, the devastating affect of the violence itself; and, second, the disruption of life that occurs as a result of leaving the family home, their job and local networks.

**Mr DEPUTY SPEAKER** (Mr Nehl)—Order! It being 1.45 p.m., the debate is interrupted in accordance with standing order 101. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting. The honourable member will have leave to continue speaking when the debate is resumed.

#### STATEMENTS BY MEMBERS

##### Mount Druitt-Blacktown Learning Difficulties Support Group

**Mr MOSSFIELD** (Greenway)—I was honoured to be asked to officially open the Mount Druitt-Blacktown Learning Difficulties

Support Group's annual conference last Saturday. This group provides information, advice and assistance to parents who have children with various forms of learning difficulties and attention disorders. The conference attracted over 100 parents and teachers and was a great credit to Mrs Terry Driscull and her marvellous band of committee members.

The conference was addressed by such authorities on the subject as Dr Paul Tait, consultant paediatrician; Val Badham, Director of SPELD, lecturer at Sydney University and co-author of the Jacaranda maths books; Ilona Bruveis, Special Education Officer of the Department of Education; Brenda Inglis Powell, co-author of *Raising Difficult Children*; and Jenny Ruge, lecturer in special education at the University of Western Sydney, to name a few of the contributors to this important conference.

The Mount Druitt-Blacktown Learning Difficulties Support Group receives valuable assistance from the Blacktown City Council and financial support from the New South Wales government. Unfortunately, the federal government has not yet recognised the need to support this group, despite my submissions. I am sure the conference widened the awareness of the parents and teachers in attendance and will contribute, with the assistance of the Mount Druitt-Blacktown Learning Difficulties Support Group, to making a major contribution towards ultimately alleviating the problems this group experiences.

#### **Italian Cemetery, Swan Electorate: Western Swamp Tortoise**

**Mr RANDALL** (Swan)—I want to speak about an unusual set of circumstances in my electorate, and this goes to an article in the *West Australian* newspaper written by Jerry Pratley. One of the world's rarest reptiles has halted the expansion of Perth's oldest cemetery and upset the local Italian community. A rare tortoise called the western swamp tortoise once inhabited this area. The unusual part about the western swamp tortoise is that it has not been seen for 30 years, since 1969. Some \$60,000 was spent jointly by environmental groups and the FAC to try to find the western swamp tortoise, but they could find no sign

of it, especially in an area called Mundy Swamp, which has heritage significance not only to Aboriginals but also to the Friends of the Airport Group and wider environmental groups.

The Italian community has this old cemetery, as I said, which has been divided by Kalamunda Road and they would like to reunite it because, as Perth's Italian Pension Society president, Michael Gangemi, said, generations of Italians were buried in the cemetery, in accordance with tradition. Without the expansion and the unification of this cemetery, it would be distressing for families. Good commonsense needs to be applied to this situation. (*Time expired*)

#### **Paul Robeson: Centenary of Birth**

**Mr ROBERT BROWN** (Charlton)—This year is the centenary of the birth of Paul Robeson. Thousands of people around the world are taking the opportunity to honour the memory of this great American. He was the son of a slave who escaped to freedom. He used his magnificent voice to inspire black and democratic America. He refused to be intimidated, even in the darkest days of the McCarthyist hysteria. Anti-communist hysteria destroyed Robeson's career. The US State Department revoked his passport. He was banned from concert halls, including San Francisco's Opera House. He was a proud and majestic figure. Against him, his detractors were pygmies.

As a number of members of the US Congress have said, Paul Robeson is perhaps the only true renaissance man the 20th century has known—a scholar, a lawyer, an All American athlete, a classical musical and Broadway actor and a vigorous opponent of racism and champion of human rights, best known for his grand baritone singing voice and his political activism. Above all other songs, I commend to everyone Paul Robeson singing *Ballad for Americans*.

I am proud to be one of the sponsors of the Paul Robeson 100th Birthday Committee. The celebrations will open in Sydney this week. I urge everyone to attend as many of those celebrations as they can. They include an exhibition in the Sydney Town Hall from 8 to

14 April and a concert in the Tom Mann Theatre on 9 April. There is also a program of events in Melbourne. (*Time expired*)

### Bank Closures

**Mrs BAILEY** (McEwen)—I wish to raise the issue, yet again, of the major banks closing branches and withdrawing services from both rural and metropolitan areas. It is about time that the major banks were reminded that they have a responsibility to provide service to their customers as well as to provide healthy dividends to their shareholders.

While the banks claim they are replacing branch people to people service with electronic services, they are not educating their customers in the new technology before closing a branch with the result that the majority of their elderly customers are now severely disadvantaged. Some are now keeping large amounts of cash at home, and that is a security risk.

Small business is also a victim of the banks' policy to close branches and leave whole communities with either no banking facility or only limited access. The effect of this, as recent studies have shown, is that 88 per cent of people who are forced to travel to neighbouring towns or other areas to do their banking also do their shopping there. This has the potential to threaten the viability of many small businesses.

As well as penalising these small businesses by removing banking access to their customers, these same major banks charge a risk premium on loans to small business. The major banks have demonstrated by their actions that they do not place much emphasis on serving the needs of their customers but now appear intent on driving many small businesses out of business. (*Time expired*)

### White Pages: Community Help and Welfare Services Page

**Mr JENKINS** (Scullin)—In the *White Pages*, there is a page under the heading of 'Community Help and Welfare Services'. It is a page that the Commonwealth Department of Health and Family Services has met the cost of. According to an article in last Tuesday's Melbourne *Herald Sun* under the

headline 'Listing numbers up', the producers of the *White Pages* have been told by the department that the department will no longer pay for the service. In the article there is a quote from a spokesperson on behalf of the department which says that 'the page was no longer good value for money'.

I hope the government can tell these 180 to 200 organisations that are listed on this page—which is an easy way for people to find organisations—why the service is no longer good value for money and what substitutes are to be made by the government to ensure that these organisations continue to have this free listing in the *White Pages*. The page is readily accessible for consumers and I wonder where those consumers are now going to find information in such an easy form. I just wonder what has prompted this decision. I believe this decision is something the minister should look at and review. It just seems to be a very penny-pinching exercise with no great value because the outcome, I think, is much worse than the money saved.

### Traralgon Secondary College Big Band

**Mr BROADBENT** (McMillan)—Tonight when the band strikes up the song *A string of pearls* or *It don't mean a thing (If it ain't got that swing)* at the UNESCO conference opening in Melbourne in the Grand Waldorf Room at the Carlton Crest Hotel, who will we be showcasing to the world? Will we be showcasing the Victorian police band? No. The army band? No. Not the Johnny Hawker Big Band either. The Traralgon Secondary College Big Band, I am proudly telling you, are playing at the UNESCO conference tonight. The saxophone quartet called Hooter Phones, part of the big band, are playing for the pre-dinner drinks, and they are also playing some compositions by local artists.

We have had some pretty bad press in Gippsland recently, as most of you would know, but this is a chance for us to celebrate what is good about Gippsland—our talent, our people and their opportunities. Led by Jason Ziino, with help from Michelle Buxton and Lynda Chambers, the principal of Traralgon Secondary School, Ron Elliot, and with their parents' support, these 18 young people aged from 12 to 17 are showcasing Gippsland to

the world tonight. It is a very exciting night for me to be able to tell this House about: the Traralgon Secondary College Big Band are playing for an international audience in Melbourne for that international conference. What a night for them. I wish them all the best. Let us celebrate Gippsland more often in this House. I think the member for Burke (Mr O'Keefe) knows what I am talking about.

#### **Kyneton Community House**

**Mr O'KEEFE** (Burke)—I would like to take a few seconds to draw to the attention of the House the plight of the Kyneton Community House in my electorate. This is an establishment which is now facing cutbacks in funding from the Victorian state government and cutbacks in the programs that were previously provided by the former federal Labor government. A number of people who have very little employment prospects rely completely on the training programs that are offered through this community house. The committee which committed themselves to purchasing the premises, based on the prospect of ongoing funding from both governments, are now being left with a property that they cannot fund, and there is the prospect of the mortgage being closed on them, for heaven's sake.

What I am saying is that we have a number of organisations at this level in our community which are finding that decisions being taken are cutting funding and cutting the opportunities, particularly for women. Much of the discussion today has been about changing pressures in the domestic situation. The Kyneton Community House is one of those places where women do get some relief from other pressures in their lives, and we find that the whole operation is under threat because of what are very silly cutbacks in the federal government policy.

#### **North's Devils Rugby League Club**

**Mrs ELIZABETH GRACE** (Lilley)—I wish to record my congratulations to the North's Devils Rugby League Club, who savoured the thrill of victory in the 1998 XXXX rugby league pre-season finals at Bishop Park, Nundah. Not only did the Devils win the first grade competition, but they also

won the reserve grade and the colts competition. Winning all three grades is a remarkable effort and the first time it has been achieved in the club's history.

North's first grade team defeated rivals West's 22-6. North's captain, Kevin Carmichael, was named man of the match and he was ably supported by full-back Michael Rhodes, centre Paul Hubbard, and forwards Andrew Hamilton and Mark Protheroe. North's reserve grade led 14-10 at the break, through tries from Elton Seeto, Matt Taylor and Geoff Huxtable. Redcliffe fought back to level the score at 14-14, but a late field goal by Kerry Carmichael gave North's reserves a hard-fought 15-14 victory. Ross Simms was named man of the match. In the colts under-19 final, North's also defeated Redcliffe 24-20, with young half-back Brad Watts leading the way.

Winning all three grades is a testament to the club's depth and much of the credit must go to the board of directors, including CEO, Peter Ney, and club coach, Mark Murray. The North's Devils board was the first rugby league club in Australia to sign an agreement to act as a feeder club for the National Rugby League clubs. With such a forward-thinking board and player depth, I am positive the North's Devils will live up to their motto: 'North's Devils will be great in 1998. The rush is on.' I look forward to late September when North's do a lap of honour to celebrate their grand final win.

#### **Telstra Services**

**Mr LEE** (Dobell)—Mr Speaker, I am sure that you, like me, have noticed the deterioration in the service quality that Telstra is providing its customers since this government sold off a third of the shares. Let me give an example that one of my constituents gave me today. He is a shift worker and he was very keen to call his wife, who is a Telstra employee. He tried to ring his wife, who works at one of the Telstra offices at Gosford, and he was put through to a Peter in Melbourne. Then he was put on hold and they could not help him. Then he was put through to a Faye in Canberra, and he was put on hold again and they could not help him. Then he was put on to an Alan in Wollongong. So 25 minutes

elapsed before this person gave up in disgust because he could not reach his wife before he headed off for work. He made the obvious point that, if it had been an emergency, everyone would have been dead.

Mr Speaker, I am sure that, if you have had cause to use the Telstra inquiry numbers, you would know that these days you are being required to wait very long periods of time before you are provided with your number, and you actually have to sit through an advertisement for the call direct service—the 12 456 number—which, by the way, gives Telstra extra money through charges. If you ring the free call number, you have to put up with advertisements and additional messages from Telstra before they even give you the telephone number you need. Is it any wonder that Australians realise they are suffering a serious deterioration in the quality of the service they are getting from Telstra, because this Prime Minister (Mr Howard) sold off a third of the shares?

#### Lane Cove: Tunnel

**Mr HOCKEY** (North Sydney)—I would like to talk about the proposed tunnel under Lane Cove in my electorate. A longer tunnel was proposed in a consultant report in preference to smaller tunnels, and the state government has determined that it will need a contribution from the state public finances in order for this tunnel to be financially viable. I would like to record my very strong support for the long tunnel extending from the Lane Cove River right through to the beginning of the Gore Hill Freeway as a total solution to the traffic bottleneck.

The Mayor of North Sydney, Genia McCaffery, has indicated she is strongly opposed to the missing link being repaired. I would like to record my strong opposition to her comments, including her inaccurate comments that she consulted with local precinct committees who also opposed the proposal. It is an environmental solution to the one remaining missing link in New South Wales traffic, and I strongly support the proposal.

**Mr SPEAKER**—Order! It being 2.00 p.m., the time for members' statements has concluded.

#### CONDUCT IN THE HOUSE

**Mr SPEAKER**—My attention has been drawn to an interesting report in the *Australian* of last Friday, 27 March, in which I note that a jar—said to be a cookie jar—of gold coins and notes in the opposition whip's office was forming a 'sinking fund' to be won by the first member to be excluded from the service of the House by me.

**Mr Crean**—Sinker's fund.

**Mr SPEAKER**—I did not know the honourable member for Hotham was so keen to hold that position. While all of us appreciate the propensity that some of us have to have the odd wager, I think it is worth commenting that there are two deterrents in this particular instance. The first is 73A of the Crimes Act in which, members might recall, it is an offence to induce a member to absent himself or herself from the House, or to seek to influence them improperly in respect of their conduct in the House. Equally, I think members would be aware that under section 44(iv) of the constitution, there is a certain difficulty in a member continuing to hold a position in this place if they should hold another office of profit under the Crown. I am sure an inventive lawyer might be able to pursue that to his or her advantage. To avoid the risk of any member falling foul of any of these provisions—either the Crimes Act or the constitution—could I suggest perhaps to the organisers of that particular sinking fund that they might like to donate the funds to a suitable charity, which I think might be a far more suitable repository.

#### MINISTERIAL ARRANGEMENTS

**Mr HOWARD** (Bennelong—Prime Minister)—I inform the House that the Minister for Primary Industries and Energy (Mr Anderson) will be absent from question time today, tomorrow and Thursday. He will be addressing the Grains Week conference on Tuesday and attending the Cairns Group ministerial meeting on Monday, Wednesday and Thursday in Sydney. During his absence the Minister for Veterans' Affairs (Mr Bruce



Scott) will answer on his behalf. The Deputy Prime Minister and Minister for Trade (Mr Tim Fischer) will be absent from question time today, Wednesday and Thursday. Mr Fischer will be in meetings associated with the visit by the President of Argentina today and attending the Cairns Group ministerial meeting in Sydney with Mr Anderson during the rest of the week. In the absence of the Minister for Trade, the Minister for Foreign Affairs (Mr Downer) will answer questions on his behalf.

### QUESTIONS WITHOUT NOTICE

#### Minister for Resources and Energy

**Mr BEAZLEY**—My question is to the Prime Minister. Does the Prime Minister recall saying last week that he defended ‘every action taken by the member for Higgins, when he was shadow Treasurer, to expand employee share ownership’? Does the Prime Minister defend the ‘root and branch opposition’, led by the then shadow Treasurer, against Labor’s 1995 crackdown on abuses of the employees’ share plans? Is the Prime Minister aware that Senator Parer utilised an employee share ownership scheme, set up through QCMM, that enabled him and five other executives to strip \$1 million out of the company for a \$10 outlay? Is he aware that no worker who actually digs coal out of the ground, loads it on to trucks and ships it out to markets was allowed to benefit from this amazing employee share ownership scheme? How can you defend that rip-off?

**Mr HOWARD**—My recollection is that, at all times since he has been a member of parliament, the member for Higgins has fought for the rights of people who want to participate fully in employee share ownership schemes—and he will continue to do so. It is a very proud boast of my government that we have done more in two years to expand the opportunities of employees to buy shares in the companies that employ them than you did in over 13 years. In the context of another matter that is very much in the news at the present time, I would remind those opposite that the generosity of the employee share ownership scheme in relation to the sale of

one-third of Telstra was absolutely unprecedented.

**Mr Beazley**—On a point of order, Mr Speaker: the question was highly specific to a share ownership scheme that allowed Senator Parer to take \$1 million for ten bucks.

**Mr SPEAKER**—The Prime Minister’s answer is in order. The Prime Minister has answered entirely within the context of the question.

*Mr Crean interjecting—*

**Mr SPEAKER**—The honourable member for Hotham!

**Mr HOWARD**—The Leader of the Opposition asked me about a statement I made in support of what the Treasurer had said. I am more than happy to remind the parliament that the Treasurer, along with the minister for finance and the minister for communications, was one of the architects of the legislation that led to the sale of one-third of Telstra. It was because of the influence of many of us, who believed that—

*Mr Crean interjecting—*

**Mr SPEAKER**—I warn the honourable member for Hotham!

**Mr HOWARD**—the battlers of Australia ought to be able to own shares in the companies that employ them. I know it sticks in the craw of the Labor Party that 92 per cent of people who work for Telstra bought shares in the company. They bought shares in the company because they believe in employee share ownership. I will tell you what: when the Australian people have the opportunity to buy the remaining two-thirds of Telstra, I can assure you that you will get killed in the rush of employees who will want to buy shares in that company. I predict now that, instead of it being 92 per cent, it will be closer to 95 or 96 per cent. You may think that they are indifferent to it, but when the opportunity arises I am sure that the men and women of Australia who are employed by Telstra will welcome with open arms the opportunity to buy shares in the company that employs them.

#### Interest Rates: Business

**Mr HAWKER**—My question is also to the Prime Minister. I ask: is the Prime Minister

aware of the announcement this morning by the Westpac Bank of its introduction of a new business overdraft product that will deliver significantly lower interest rates to Australian businesses? What does this signify about the economic environment this government has put in place to encourage small businesses?

**Dr Theophanous**—I raise a point of order, Mr Speaker, under standing order 144. The second part of the question clearly is asking for an expression of opinion and is out of order.

**Mr SPEAKER**—The first part of the question is entirely in order.

**Mr HOWARD**—I can say to the honourable member for Wannon that I certainly am aware of the announcement which was made by Westpac this morning.

**Dr Theophanous**—Will you rule on the point of order? You said the first part is in order. What about the second part?

**Mr SPEAKER**—The honourable member will remain silent.

**Mr HOWARD**—But, even more importantly, I am sure that the hundreds of thousands of small business operators throughout Australia are also aware of what was announced this morning. Those who are not aware will become aware over the hours and the days ahead, because what was announced this morning represents the great interest rate breakthrough that the overwhelming bulk of small businesses in Australia have been waiting for.

This represents an absolutely historic fall in the level of interest rates for Australian business. What we have seen this morning is a reduction in relation to the new product introduced by the Westpac Bank; a reduction in the average lending rate for business of two per cent. It is unprecedented in the experience of any member of this parliament. As this graph that I am about to show honourable members opposite will illustrate, you have to go back to the 1970s before you can find a period of time in which interest rates for business were as low as they are now.

As this graph indicates very clearly, we had an upward trend in interest rates from late 1994 until they plateaued in 1996. They

continued for a few months and then, after our election, the rates began to come down and the housing interest rate fell. As the graph illustrates, this is the point at which we took over—March 1996. They only stayed up there for a couple of months; then they began to fall. The most dramatic reduction in housing interest rates has now been matched by the fall in overdraft rates for business.

No amount of noise, no amount of muck-raking against my colleague, no amount of delving into things that are irrelevant to the mainstream of the Australian community, can alter the fact that we now have in this country not only the lowest housing interest rates since the late 1960s, but we now, as a result of this, have the prospect of seeing the lowest small business rates in Australia since the late 1960s.

This is no accident, this is not something that has just sort of come along in a random sort of fashion; this is a direct result of the economic policy that my government has followed. This is a direct result of having got rid of Kim Beazley's \$10½ billion deficit. This is a direct result of the assault that we made on the federal government's debt when we came to office. This is a direct result of the fact that we have been prepared to give this country its lowest inflation rate for decades. This is a direct result of the courage of my government in tackling the fundamental economic problems of Australia.

If we had not got the budget in order, if we had not fireproofed Australia against the ravages of the Asian economic downturn, if we had not been willing to take some economic decisions that were unpopular in the short term, we would not have provided the foundation and the basis and the opportunity for banks such as Westpac to reduce the level of interest rates.

I want to congratulate the Westpac Banking Corporation. I want to draw to the attention of all participants in the financial community that we now have a highly competitive financial sector, and this is in no small measure due to the efforts of my colleague the Treasurer in relation to the implementation of the reforms contained in the Wallis report.

In just two years we have created the foundations where the Australian economy is stronger, fundamentally, than it has been for over a quarter of a century. We have low inflation, we have high levels of business investment, we are reducing Beazley's horrendous deficit legacy, we are getting rid of the \$10½ billion deficit and, by one policy decision alone—that is, allowing the men and women of Australia to buy the remaining two-thirds of Telstra—we will reduce by 40 per cent the total federal government debt of Australia. But, ladies and gentlemen, let us not—

**Mr Crean**—‘Ladies and gentlemen’—members!

**Mr HOWARD**—Colleagues, let us not underestimate the significance—

**Mr Beazley**—Mr Speaker, on a point of order: this is clearly a ministerial statement.

*Honourable members interjecting—*

**Mr SPEAKER**—When the House has come to order, I will call the Leader of the Opposition.

**Mr Beazley**—This is clearly a ministerial statement on his version of the economy. Why doesn't he make it as a statement so we can debate these ridiculous claims?

**Mr SPEAKER**—The Leader of the Opposition will resume his seat.

**Mr HOWARD**—Mr Speaker, this is not a ministerial statement; it is bad news for the Labor Party—that is what this is. This is not a ministerial statement. I am proud of the economic policies that have been followed by my government. I would remind the parliament and I would remind the Australian people that every step we took to lay the foundations for this historic interest rate cut today was opposed by the Australian Labor Party. They not only had the indecency to leave us a budget deficit of \$10½ billion but also had the supreme indecency—

**Mr Beazley**—On a point of order, Mr Speaker, this has been going for 10 minutes—10 minutes!

**Mr SPEAKER**—Has the Leader of the Opposition a point of order?

**Mr Beazley**—Yes! It is a statement and statements are precluded from question time.

**Mr SPEAKER**—The Leader of the Opposition will resume his seat. The Prime Minister is entirely in order.

*Mr Crean interjecting—*

**Mr SPEAKER**—The honourable member for Hotham will remain silent.

**Mr HOWARD**—Not only did the Leader of the Opposition have the indecency, after having misled the Australian public, to leave a deficit of \$10½ billion, but also he compounded that indecency with the political obscenity of trying to block every single measure being taken by my government to clean up the mess. So I say to the people of Australia, and particularly the men and women of Australia in small business: you now have the best interest rate climate for over three decades, by courtesy of the economic conditions created by my government, which has created a situation where interest rates for small business are lower than they have been since the late 1960s, and that is a direct result—

**Mr Beazley**—Oh, Mr Speaker!

**Mr SPEAKER**—The Prime Minister will resume his seat. The Leader of the Opposition.

**Mr Beazley**—On a further point of order: there has now been 13 minutes of this particular answer and it is clearly a ministerial statement. I think, just for the sake of a sense of tedium around the nation, you ought to bring it to a close.

**Mr SPEAKER**—The Leader of the Opposition will resume his seat. The Prime Minister is entirely in order and he is now drawing his answer to a conclusion.

**Mr HOWARD**—He is even deceptive about the time. It is not even a quarter past two yet and this is the second question. Let me say again that this is an historic breakthrough for small business. It is fabulous news.

*Mr Crean interjecting—*

**Mr SPEAKER**—The honourable member for Hotham! He has already been warned.

**Mr HOWARD**—I know it hurts the Labor Party, but it is a further endorsement of the wisdom and the strength of the economic policies that my government has followed since 2 March 1996.

**Mr Pyne**—On a point of order: I am sure it would be of assistance, Mr Speaker, to the opposition if the Prime Minister would not mind tabling the graph from which he was reading.

**Mr HOWARD**—I table the graph.

**Mr Tuckey**—On a point of order: it was my intention to ask the Prime Minister if he would have it incorporated in *Hansard*.

**Mr SPEAKER**—I think we will leave it as it is. I do not know whether the graph can be incorporated in *Hansard*. When members have resumed their silence, we will find out. We will ask *Hansard*. If it can be, it will be, otherwise it will be tabled.

**Mr Crean**—Mr Speaker, on a point of order: you have to seek leave if you incorporate.

**Mr SPEAKER**—I do not know that it can be incorporated.

**Mr Lee**—I raise a point of order, Mr Speaker. The normal system is that the Prime Minister seeks leave to incorporate it in *Hansard* and then we decide whether we give approval.

**Mr SPEAKER**—I think we have to find out whether it can be incorporated. Is leave granted if it is possible?

**Opposition members**—No!

#### **Ministerial Conduct Guidelines**

**Mr CREAN**—My question is directed to the Prime Minister. Does the Prime Minister agree with Senator Hill that the present conflict of interest guidelines should be revised to protect the financial interests of businessmen like Senator Parer who become ministers? Won't the formal watering down suggested by Senator Hill mean a far lesser standard of ministerial accountability than has ever existed in the past? Won't removing the potential conflict guideline increase the risk of actual conflict or corruption?

**Mr HOWARD**—Nothing new, nothing about interest rates, nothing about employment, nothing about jobs, nothing about anything that is of any interest to the Australian people.

**Mr Beazley**—A point of order!

**Mr SPEAKER**—I think it would be a good idea if we heard the answer of the Prime Minister first.

**Mr Beazley**—I refer to the terms of the question. The answer has nothing to do with the question.

**Mr SPEAKER**—It is entirely within the standing orders of this place.

**Mr HOWARD**—In further answer to the question from the member for Hotham, I saw what Senator Hill had to say. I inform the House that I have no proposals before me to change the guidelines.

#### **Regional Employment**

**Mr NAIRN**—My question is addressed to the Prime Minister. Can the minister inform the House of any actions the government is taking to generate long-term secure jobs in regional Australia? Has the need to provide investment security and improved infrastructure been brought to the attention of the Prime Minister?

**Mr HOWARD**—In response to the honourable member for Eden-Monaro I can say that in the last week the government has made two specific decisions that will generate at least 600 new jobs in regional Australia. I refer firstly to the signing in Melbourne on Friday of the regional forest agreement taking in the central highlands of Victoria. May I pay tribute to the work done by the honourable member for McMillan in bringing about the signing of that agreement. He has been an indefatigable campaigner.

**Mr Reid**—And the member for McEwen.

**Mr HOWARD**—I am getting to the honourable member for McEwen, whose electorate I had the great pleasure of visiting only two or three weeks ago. The esteem in which she is held is evident wherever you go.

**Mrs Crosio**—And what about the member for Eden-Monaro?

**Mr HOWARD**—I am coming to him too. There are so many announcements that it takes you a while to work your way through them. The central highlands regional forest agreement will lay the basis for 300 additional jobs and conserve an extra 116,000 hectares of forest. It will provide resource security for a period of 20 years. It provides for a \$28 million development package. To date, the three regional forest agreements that have been signed by my government—two now in Victoria and one for the whole of Tasmania—have laid the basis for over 1,700 jobs in regional Australia and have conserved over 500,000 hectares of forest.

On Sunday I had the opportunity to visit the electorate represented so well by the honourable member for Gilmore and, when I was in Nowra, I declared main road 92 between Nowra and—

**Mr Tanner**—A gravel road—like people everywhere around Australia want.

**Mr HOWARD**—There he goes. This is something that the locals have wanted for 30 years.

**Mr SPEAKER**—The honourable member for Melbourne!

**Mr Tanner**—What about the Geelong road and the Great Western Highway?

**Mr HOWARD**—They asked you every year for 13 years. I know: you were going to do it in the 14th year, weren't you?

**Mr Tanner**—Are you going to pay for them all around Australia?

**Mr SPEAKER**—The honourable member for Melbourne!

**Mr HOWARD**—You were finally going to do something. The upgrade of the main road 92 between Nowra and Nerriga—

**Mr Tanner**—A gravel road.

**Mr SPEAKER**—The honourable member for Melbourne!

**Mr HOWARD**—has now been declared a road of national importance.

**Mr Tanner**—Who else has some gravel roads.

**Mr SPEAKER**—I warn the honourable member for Melbourne.

**Mr HOWARD**—What that means is that it will attract Commonwealth government funding. The upgrade involved in that will generate 300 jobs in regional New South Wales in roadworks, industry and tourism. On 18 March I announced upgrades to the Goulburn Valley highway which are expected to generate another 200 jobs. These are all solid, practical decisions which are creating jobs in regional Australia. They are building confidence in regional Australia, and they are a recognition that only the Liberal and National parties care about the regions and the rural areas of Australia.

What is the latest Labor Party insult? What is the latest Australian Democrats insult to the people of rural and regional Australia? It is to reject the unfair dismissal legislation and, in the process, they are delaying—on the words of the small business community of Australia—the creation of an additional 50,000 new jobs throughout the whole of Australia. Labor has no credibility in the region and has no credibility on small business in other parts of our country.

#### **Minister for Resources and Energy**

**Mr CREAN**—My question is to the Prime Minister. Is he aware that last week Senator Parer in a new declaration to the committee of senators interests for the first time listed the full extent of his extensive public and private shareholdings? Was the full extent of these holdings ever disclosed to you, Prime Minister, prior to Labor flushing it out? And, if so, why did you fail to apply your guidelines to Senator Parer, especially when you have told other ministers to divest? Given your earlier answer, Prime Minister, can Senator Parer continue to own his coalmining shares?

**Mr HOWARD**—I do not have anything to add to what I have already said. Senator Parer enjoys my full confidence.

#### **Economy**

**Mr EOIN CAMERON**—My question is addressed to the Treasurer. Can the Treasurer inform the House how the government's economic policy provides a responsible path to the future. What would be the impact on the Australian people if the government

adopted policies based on industrial nostalgia rather than economic responsibility?

**Dr Theophanous**—I raise a point of order, Mr Speaker, under 144(g), hypothetical matter. The question asked, 'What would be the impact?'. It is simply hypothetical and is out of order.

**Mr SPEAKER**—The honourable member for Calwell would know that those kinds of questions have been common in this place. I declare the question in order and call the Treasurer.

**Mr COSTELLO**—I thank the honourable member for his question and I especially thank the honourable member for Calwell for his point of order. Apparently, the Labor Party considers reform of the Australian taxation system to be a hypothetical matter. We don't; we actually think it is very important for this country. We actually think it is very important that this country get a new and better taxation system. We actually think it is important to focus on things like interest rates and home mortgage rates. We actually think it is important to talk about jobs. We think it is important to talk about economic growth, but Labor doesn't. They are absolutely pre-occupied with the kind of muckraking which passes as an excuse for policy making in this country. But they are not all like that.

I would like to point out to the House that shortly an important new book is going to be published under the title *Civilising global capital: new thinking for Australian Labor*. It should say 'Some Thinking for Australian Labor'. It is written by somebody called Mark Latham, the member for Werriwa. The point I want to make at the outset is that the member for Werriwa should not be condemned for being a thinker in the Labor Party. As far as the Labor Party is concerned, it needs all the thinkers it can muster and the member for Werriwa is on the right track rather than on the wrong track. We congratulate him for standing up to the economic dinosaurs of the leadership of the Labor Party.

**Mr Beazley**—He was actually criticising your policies, as I recollect.

**Mr COSTELLO**—No, he was not. The Leader of the Opposition is about to launch

his book, Mr Speaker. Perhaps the Leader of the Opposition would be interested in this quote from the book. According to the member for Werriwa, 'There is something frightfully immoral about politicians who hold out the hope that nostalgia might somehow resolve the problems of the present.' He could not be talking about the member for Hotham, could he? He could not be talking about the Leader of the Opposition, could he—'frightfully immoral to hold out the hope that nostalgia might somehow resolve the problems'?

Here we have the politicians of nostalgia, who pass all of these questions as an excuse for a policy, being fingered by the delightfully absent member for Werriwa. Did you tell him not to come today? The young and the restless, together with the member for Melbourne, have now become the bold and the beautiful, boldly taking on the dinosaurs of the Labor Party leadership, accusing them of economic nostalgia.

In the words of the member for Melbourne, he said in relation to the member for Oxley, 'Building a society based on economic security, a fair balance between economic efficiency and social equity, a broad capacity to participate requires new ideas and initiatives,' not a trip down memory lane arm in arm with Pauline Hanson. The member for Melbourne, fingering the leadership of the Labor Party for a trip down memory lane with Pauline Hanson; the other young and the restless; the member for Werriwa talking about the need for a new taxation system; and what do we find? The dinosaurs of the ACTU, Hotham and Batman—Batman and Hotham!—sitting here in the parliament longing for the days of yesterday when the ACTU controlled the economy.

The member for Werriwa has done the Labor Party a great service: he has thought, and he should be encouraged to do so in the future.

#### **Taxation: Family Trusts**

**Mr GARETH EVANS**—I ask the Prime Minister to take a trip down memory lane and ask does he recall saying on the Alan Jones program last August:

It is aggravating in the extreme if you are a PAYE tax battler . . . when you hear of people, through all sorts of dodges . . . not paying their fair share.

Are tax dodges of the kind involved in Senator Parer's family trust and his \$2 million worth of mining shares the kind that you were referring to? If not, why not? Will your tax package crack down hard on the use of discretionary trusts for tax avoidance?

**Mr HOWARD**—One of my colleagues said, 'Will you crack down hard on Mark Latham?' There is one thing I will say about the member for Werriwa: at least he has the honesty to identify something you will never identify, that is, the Australian taxation system is badly in need of overhaul and reform.

I want to say to the Deputy Leader of the Opposition and I say to the Australian people that one of the central elements of our tax reform package will be the elimination of tax avoidance practices, whether they occur in relation to family trusts or in relation to other aspects of the taxation system.

Having said that and having declared what will be central elements of our taxation policy, I want to know why it is that the Labor Party spent 13 years doing nothing about the abuse of the taxation system. I want to know why the Australian Labor Party has finally discovered that there may be some tax avoidance—

**Mr SPEAKER**—The Leader of the Opposition!

**Mr Beazley**—That's a lie.

**Mr HOWARD**—That is a lie, is it?

**Mr Beazley**—Yes.

**Mr HOWARD**—Are you going to withdraw that?

**Mr Beazley**—I withdraw.

**Mr SPEAKER**—Withdraw it properly.

**Mr Reith**—Get up and withdraw.

**Mr Beazley**—I withdraw, Mr Speaker.

**Mr SPEAKER**—Stand up and dot it properly.

*Government members interjecting—*

**Mr SPEAKER**—No, come on. The House will come to order. The Leader of the Opposi-

tion should withdraw that remark but do it in the proper way. You stand, at least.

**Mr Beazley**—I withdraw it for little diddums here.

**Mr SPEAKER**—I suggest that the Leader of the Opposition recognises the respect he should give this place. The House will come to order.

**Mr HOWARD**—I have a very good idea what people in the public gallery thought of that little immature performance.

*Opposition members interjecting—*

**Mr SPEAKER**—Honourable members of the opposition will remain silent.

**Mr HOWARD**—What a childish performance that is. It was a very instructive little exercise. I remind the Australian people that the Australian Labor Party had 13 years to fix the Australian taxation system. All they ever did during that 13-year period was to allow the system to steadily deteriorate. You had 13 years to discover, through the use of trusts, the abuses which led to a haemorrhaging of the revenue. You discovered those abuses; you did nothing about them. You had 13 years to make it easier for the PAYE taxpayer; you did nothing about it. You had 13 years to ensure that not only were welfare cheats dealt with but also that the big end of town paid its fair share.

Once again, it has been left to an incoming coalition government, it has been left to a Liberal and National Party government, to take up the cudgels in the interests of the average Australian. I can assure the battlers of the Australian community that we will do what Labor was unwilling to do—we will give you a fair taxation system. We will eliminate the rorts at both ends of the argument.

**Mr Crean**—Parer! Parer!

**Mr SPEAKER**—The honourable member for Hotham will remain silent.

**Mr HOWARD**—We will ensure that Australia goes into the 21st century with a modern competitive taxation system that encourages manufacturing exporters, encourages work, encourages saving and delivers incentives to those who are prepared to take

risks and who are prepared to contribute their fair share. You had 13 years to fix the system, and you did nothing.

**Mr Crean**—Rubbish! Untrue!

**Mr SPEAKER**—The honourable member for Hotham will remain silent.

**Mr HOWARD**—You have no credibility when you attack us.

### Taxation

**Mr BROUGH**—My question is addressed to the Treasurer. Can the Treasurer outline to the House how the current taxation system is failing Australia? Treasurer, would you inform the House of any proposals to improve the system. What is the government's response to these proposals?

**Mr Martin Ferguson**—Ask Parer! He can show you how he has ripped them off.

**Mr SPEAKER**—When the honourable member for Batman resumes silence I will call the Treasurer. The Treasurer.

**Mr COSTELLO**—I thank the honourable member for his question and for his interest in tax reform, which is one of the big issues for Australia's future. The reason why this government stands in favour of tax reform is that we believe in giving Australia the best possible opportunity for the future for jobs and for families—for giving them opportunities for economic development. And we know that Australia's taxation system is not optimal. We know that.

If I may say so, Mr Speaker, there are also some people in the Labor Party who take that view. Leadership in the Labor Party does not come from the so-called Leader of the Opposition, but there is the member for Werriwa—who is curiously absent from the House of Representatives. But, don't worry; he can't be sick because he was on Radio National this morning. He was on Radio National this morning, but he is curiously absent from question time today. But, don't worry—he'll be there when the Leader of the Opposition launches his book.

I want to tell you, Mr Speaker, that this book does have some very sensible material about tax reform in it. According to reports, Mr Latham refers to the narrowness of the

current indirect tax base which does not cover services. I would have thought that that was a pretty obvious point. Mr Latham refers to the advantages of taxing consumption over income. That is another proposal that he puts forward on behalf of the Labor Party. Specifically, he says that it should be done through an expenditure tax which is a multilevel, value added tax. We are pretty keen to see some thinking coming out of the Labor Party in relation to this.

Mr Latham also says in his book, 'Whereas the top marginal rate in Australia in the 1950s cut in at 19 times the level of average weekly earnings, this ratio has now fallen to 1.5.' When I read that, I thought to myself, 'That is a remarkably similar statement.' I would refer the Labor Party and its latest offering in relation to tax reform to this good little book called *The Australian taxation system: in need of reform*.

**Mr Reith**—You wouldn't have had the same idea, by any chance, would you?

**Mr COSTELLO**—Modesty prevents me from saying who the author of this was. But on page 7 of this booklet, the author—and modesty prevents me from saying who it is—said:

In 1954, a taxpayer had to earn 19 times average earnings to pay the highest tax rate . . . By the year 2000, a taxpayer will only have to earn 1.2 average earnings to pay the top rate.

That is almost identical to what is going to appear in the member for Werriwa's book.

**Mr Reith**—You should send it to Alan Ramsey!

**Mr COSTELLO**—Before Alan Ramsey gets onto the case, there was no idea swapping between the two of us in relation to that, Mr Speaker. I do not engage in idea swapping with members of the Labor frontbench.

*Honourable members interjecting—*

**Mr COSTELLO**—As my colleagues point out, the only person you could swap an idea with on the Labor frontbench would be the member for Werriwa; there aren't too many others. We actually welcome the fact that the member for Werriwa is engaging in some thinking. That is a welcome change, I think. It is good to see that somebody in the Labor



Party is prepared to take on the big issues: the issue of what we are going to do about high marginal tax rates; the issue of what we are going to do about the growing services part of the economy; and the issue of how we are going to reform Australia.

All I can say to the member for Werriwa is this: none of the material in this booklet is copyright; all of it can be reprinted in his book or anybody else's book. It can even be reprinted in the Australian Labor Party policy handbook, for all we care. We also say to the member for Werriwa that if the Leader of the Opposition cannot lead, he can, and he should, and we congratulate him for doing so.

#### **DISTINGUISHED VISITORS**

**Mr SPEAKER**—I inform the House that members of the Commonwealth Parliamentary Association study tour are present in the gallery this afternoon. They include members from the parliaments of Papua New Guinea, Samoa and Nauru. On behalf of the House, I extend a very warm welcome to the members.

**Honourable members**—Hear, hear!

#### **QUESTIONS WITHOUT NOTICE**

##### **Superannuation**

**Mr ROCHER**—Is the Treasurer aware that the AMP has estimated that the cost to it of complying with the government's proposed new taxation of financial arrangements on an accrual basis will be somewhere in the vicinity of \$50 million? Does the Treasurer concede that, when this cost is extrapolated across the entire finance industry, it translates into a hefty imposition on financial institutions, financial intermediaries, superannuation funds and other fund managers? Does the Treasurer acknowledge that the government's preferred option for the taxing of financial arrangements will also impact on the vast majority of businesses throughout Australia by way of an increase in the cost of doing business? Will this discourage domestic and overseas investment in Australia?

**Mr COSTELLO**—I thank the honourable member for Curtin for his question. I say to him: I am not aware that the AMP has estimated that compliance with those particular proposals would cost in the vicinity of \$50

million, but I take his word that that may well have been the case. What the honourable member refers to is a discussion paper which was put out in December 1996 on the taxation of financial arrangements, or TOFA. That discussion paper was put out by officials and released for public comment. A number of submissions have been received on it since its release. These are currently being evaluated by officials of the Australian Taxation Office and the Treasury. The government will consider the future of those proposals after we have considered the feedback.

In relation to the broader question of the taxation of financial services and financial intermediaries, I would point out to the honourable member that this government has been very active in getting down the costs associated with compliance of the taxation system and very active in encouraging new financial products and a reduced cost of funds. I think the proof of that is seen in the fact that not only mortgage rates and business rates are historically low but also margins are historically low.

Let me go on from that and say that I think it is very important, as Australia looks out into its region and sees a great deal of instability in it, that Australia be now seen as a site which is stable, well-regulated and, with the Wallis reforms, engaging world's best practice in relation to financial regulation. The last piece of the jigsaw that we need to put in place to make Australia a major financial centre is tax reform. If we put that piece of the jigsaw in place, we can make Australia, after Tokyo, the financial centre of the Asia-Pacific region. That would be a great thing for Australia and a great thing for our industry, and that is one of the determined goals of this government.

##### **Social Security Benefits: Migrants**

**Mr ROSS CAMERON**—My question is directed to the Minister for Immigration and Multicultural Affairs in his own right and in his capacity as the Minister representing the Minister for Social Security. Can the minister inform the House why it is important to maintain the government's policy of a two-year waiting period for newly arrived migrants to receive social security benefits?

**Mr RUDDOCK**—I thank the honourable member for Parramatta for his question on this issue. I think it is important to recognise that the two-year waiting period which this government introduced was a balanced measure and one which was quite clearly intended to provide access to refugees and humanitarian entrants to our social welfare system where we recognised that they had come having suffered considerable hardship and having had special needs. But then we move to other categories of entry—the two remaining categories. The first is those who come as skilled migrants, who can offer to Australia skills to help grow our economy, who are carefully selected and for whom there is evidence available that they have very high levels of participation generally and also low levels of unemployment. Then there is the family stream, where sponsors in Australia make solemn undertakings to support relatives if they are allowed into Australia as spouses, parents or in various other categories that are available. In the introduction of that scheme, we ensured that any significant change in circumstances after arrival would be taken into account to ensure that, if a relative had died or lost their employment, benefits would be available. This scheme is a very generous scheme. It remains generous in world circumstances.

**Mr Brereton**—Generous in Kabul.

**Mr RUDDOCK**—I will pick up the comment by the honourable member for Kingsford-Smith. If you look at the United States of America and if you look at most of Europe, their schemes of benefits for people who are unemployed rest upon personal contributions having been made. There would be few migrants who would have been in a position to work and make personal contributions before their arrival in any of those countries. But that is the way in which benefits are generally provided overseas.

The interesting aspect about this system is that under Labor it was essentially degraded. The assurance of support scheme was always in place and was intended to ensure that people were supported by their families, but it was something that was honoured largely in the breach while you were in office. It was a

situation in which parents, when they entered Australia, were able to quickly access social security after any assurance of support scheme had been essentially exhausted and, instead of there being a 10-year embargo, which was the traditional position in relation to eligibility for an age pension, people were accessing benefits after a relatively short period of time in Australia. When you look at the figures, the most remarkable part about it is that they essentially came from countries where there were no highly developed social security systems in place—something in the order of 75 per cent of them. That is the way in which the scheme was operating.

What I have been interested in is the way in which the Labor Party has wanted to walk down both sides of the street on this issue. What they have sought to do, and the Leader of the Opposition was at it again this weekend, is to say to ethnic communities that this is a measure which, if you look at it, is unfair. I can quote from a speech that the Leader of the Opposition made, and it was typical of many opposition speeches. I heard the Deputy Leader of the Opposition make another one when he spoke to the Teo Chew Association in Melbourne. These speeches were critical of this measure. When they think that nobody is watching in the Senate, they will vote for its repeal. But, when they go to the Federation of Ethnic Communities Councils, he says:

... we need to address current government policies which have denied recently arrived migrants any access to employment services to help them find work. Many migrants face a critical period just after they arrive in Australia, where if they are not assisted to find work quickly, they and their families run the risk of becoming alienated and impoverished in their new home. It will be an absolute priority of the next Labor government to prevent this type of thing from happening.

And this to the rounds of applause from the audience who read into it that maybe something was going to happen. It was not until he went outside and was doorstopped by the honourable gentlemen from above that we got the answer that the Labor Party in office would not be looking at repealing these measures. So what are they about? They are about walking down both sides of the street saying

one thing to ethnic communities to a round of applause in expectation that these measures might be repealed but, when they think it might be reported in the mainstream press, they want to walk away from any substantial change in relation to this measure. I think they need to be judged by the duplicitous message that they are giving out. I heard the honourable member for Denison once talking about people who talk out of both sides of their mouths; that is exactly what they have been doing on this measure, and they have been found out.

### Telstra

**Mr BEAZLEY**—Sorry sport, it was said in both places.

**Mr SPEAKER**—The Leader of the Opposition will ask his question.

**Mr BEAZLEY**—My question is directed to the Prime Minister. What exactly did you mean yesterday when you said about concerns in the bush regarding the further sale of Telstra, ‘You can’t have 100 per cent on anything, but I can assure the bush that there will be guarantees galore to protect their position’? Why can you not give Australians living in the bush a 100 per cent promise on their Telstra services? Is this because your so-called guarantees will represent a non-core promise?

**Mr HOWARD**—How absolutely fascinating. This is really very interesting: the Leader of the Opposition talking about inconsistency on privatisation. This is the man who swore on a stack of bibles that a Labor government would never privatise Australian Airlines and went ahead and did it.

**Mr Crean**—Is it a core promise?

**Mr SPEAKER**—The honourable member for Hotham.

**Mr HOWARD**—This is the man who put his hand over his heart and wrote to every member of the Commonwealth Bank Employees Union and said, ‘Labor will never sell the Commonwealth Bank.’ This is the man that no doubt the new Labor candidate for Dickson had in mind when she said:

I think Labor in opposition won’t sell Telstra, but I’m more worried about Labor in government.

That is not me. That is not the men and women of the Australian media. That is the Leader of the Opposition. The great albatross that he carries around his neck is that the Australian people know his duplicitous form on privatisation.

The great advantage that we bring to this debate is that we have been uncompromising supporters of privatisation. I can remember back in the middle-1980s when I spoke in favour of the privatisation of the then Telecom and the then Commonwealth Bank. I can remember Bob Hawke and Paul Keating saying, ‘What a shocking thought.’ I can remember Michael Duffy getting up in here and saying, ‘Selling the Commonwealth Bank is like burning down the gum tree. How could you ever contemplate doing something like that.’ Yet one by one, bit by bit, year after year when they got into government and needed a bit of money—and even to the extent of the Leader of the Opposition as finance minister quietly saying, ‘John, of course you will support the privatisation of the Commonwealth Bank in the Senate, won’t you?’—they privatised them.

It is the same old story. When Labor is in government, the Democrats bail them out on social issues. Our commitment to sensible economic outcomes means that, if we have to make a choice between a sensible, realistic economic decision and economic vandalism, we will always support the sensible decision.

**Mr Lee**—Mr Speaker—

**Mr HOWARD**—Little Sir Echo!

**Mr Lee**—I raise a point of order on relevance. The Prime Minister has been going on for five minutes about privatisation. He has said nothing about the guarantees for the bush, which is what the question was about.

**Mr SPEAKER**—How long he has been going is not a question of relevance. The honourable member for Dobell will resume his seat. I call the Prime Minister.

**Mr HOWARD**—This is so relevant to the debate. I know it hurts the Labor Party that I was asked a question about the credibility of assurances on privatisation and I am giving the parliament and through it the Australian

people just a little reminder of some not so ancient history on this subject.

The people in the Australian bush will be guaranteed the community services to which they are entitled. The legislation that is going to be introduced into the parliament this week will deliver guarantees you never dreamt of, let alone implemented. Once again you had 13 years to deliver all of these benefits for the bush.

**Mr Crean**—Is it a core promise?

**Mr SPEAKER**—The honourable member for Hotham.

**Mr HOWARD**—If you were so interested in the bush, why did you not do something about it over the last 13 years. You failed to fix the tax system. You failed to give proper levels of service in the Australian bush.

**Mr Crean**—Oh, rubbish, untrue.

**Mr SPEAKER**—The honourable member for Hotham will remain silent.

**Mr HOWARD**—I can only say—

**Mr Crean**—Well, how relevant is this? Where is the relevance?

**Mr SPEAKER**—I have warned the honourable member for Hotham once. You are about to depart if you continue to behave like that.

**Mr HOWARD**—Was it a Labor government that introduced the \$250 million communications fund? No. Was it a Labor government that introduced legislation such as we have foreshadowed to guarantee community services in the bush? Certainly not. Was it a Labor government that legislated for universal service obligations? In fact it was a Labor Prime Minister of Australia who actually flirted with the idea of having untimed local telephone calls. I know that many from South Australia, in particular, will remember Bob Hawke floating that idea during the by-election in Adelaide in 1988.

In other words, wherever you look it is the Australian Labor Party and the Leader of the Opposition in particular who have form on the question of privatisation. We have always supported the privatisation of those government enterprises that ought to be in the ownership of the men and women of Australia. We have been honest. We have been open.

We are being honest and open again. By contrast, the Australian Labor Party in opposition has always misled the Australian people. When it has stumbled into government, it has done the exact opposite to what it promised in opposition. On this issue above all issues it is absolutely bereft of any credibility at all.

### Work for the Dole Project

**Miss JACKIE KELLY**—My question is addressed to the Minister for Employment, Education, Training and Youth Affairs. The minister would be aware of the very successful work for the dole projects between Byron Bay and Sydney that the 1998 pollie peddle visited in the last two weeks. Would the minister inform the House of the number of young people who have participated in work for the dole projects and whether work for the dole is meeting its participant target numbers? What is the government's response to recent comments that have been made regarding work for the dole?

**Dr KEMP**—I thank the member for Lindsay for her question. I am aware of the highly successful project run by Mission Australia in her electorate at Penrith which is upgrading the Nepean River regatta area in preparation for the Sydney Olympic Games. It is a measure of how little the opposition understands work for the dole that the Leader of the Opposition is quoted as saying, 'I'm afraid to say, at the end of the day, there is not one job in it.'

The project manager for the Penrith regatta project has informed the government that some 30—repeat 30—participants in this project have already left to get jobs or to pursue further education or training. Work for the dole has been a resounding success. Many of the young people that I have met on work for the dole projects say that work for the dole is the best thing that has happened to them for a long time. A number that I have spoken to have wanted to extend the time they spend on a work for the dole project each week.

We are now four months into the work for the dole pilot projects and nearly 5,000 young Australians have already taken up the opportunity to participate in work for the dole.

They have welcomed the chance to put something back into their local communities. Already 144 of the 179 projects—that is 80 per cent of the projects—have commenced and this is well ahead of target.

I am aware of comments, however, over the weekend by the member for Batman, who described work for the dole as a sham. He is one of the policy dinosaurs in Jurassic Park over there that the member for Werriwa has been forced to speak out against. Of course, the Leader of the Opposition has made it absolutely clear, and every member of this House should be absolutely clear, that if the Labor Party were to get into office they would abolish work for the dole, because they do not believe in communities and young people working together. They have no idea. There is a policy vacuum there on the dole.

In fact the only person who has put forward an idea for unemployed people in recent times has been one Mark Latham, the member for Werriwa, whose idea was that unemployed people should be asked to pay back their dole. That is his idea. The member for Werriwa has obviously been appalled by the policy vacuum that he has witnessed in the leadership group on the other side of the House. He has seen these dinosaurs up here with not a single positive idea about how to help unemployed people in this country and he has felt compelled to speak out.

He is not interested in his shadow portfolio. If you flip through the index to the book, and you read it, there is not much on education there. There is very little on education and training. Apprenticeships do not crack a mention. By careful study I managed to find the word 'literacy' once. He is not interested in the shadow portfolio for education; he is interested in the leadership, and this is his bid. He is very young and he is very restless. He is very restless and he is fed up with that vacuum on the other side of the House. The weak Leader of the Opposition should pull him into line and put forward some ideas on account of the Labor Party itself.

#### Telstra

**Mr BEAZLEY**—My question is to the Prime Minister. Is the Prime Minister aware

that the Minister for Finance and Administration yesterday confirmed the concerns within coalition ranks regarding the level of Telstra services in rural and remote areas? Is the Prime Minister aware that Senator Boswell repeated these concerns on the Ten Network this morning? Can the Prime Minister give an ironclad, 100 per cent, core promise guarantee that Australians in the bush will, under a full privatised Telstra, get the same level of access to telecommunications—

**Mr Ross Cameron**—I raise a point of order, Mr Speaker. I refer to standing order 146. The terms of this question are almost identical to those asked earlier of the Prime Minister, who canvassed the issues very fully in that answer. I suggest it ought not to be renewed.

**Mr SPEAKER**—The honourable member will resume his seat. The question is in order.

**Mr BEAZLEY**—Can the Prime Minister give an ironclad, 100 per cent, core promise guarantee that Australians in the bush will, under a fully privatised Telstra, get the same level of access to telecommunication services and new technologies as Australians in the cities?

**Mr HOWARD**—Mr Speaker, I can repeat the guarantees that I have already given, that is, we will be legislating to provide all of the community service obligations. We will be legislating to ensure the maintenance of price caps.

**Mr Crean**—And new technologies?

**Mr Beazley**—New technologies?

**Mr HOWARD**—The Leader of the Opposition asks about new technologies. New technology is in part coming out of the \$250 million fund, which you opposed. The Leader of the Opposition pretends that he is a proponent of new technology, yet he voted against a measure that has made \$250 million in new technology available to the Australian people. The Leader of the Opposition has no credibility on this.

I can say again to the people of the Australian bush, 'You will receive the guarantees that you seek and you will receive through legislation the guarantees to which you are entitled.' I can also assure the people of the

country areas of Australia that they will receive benefits from our communications policy that will give them a world class telecommunications system, on a par with and equal in value and equal in quality, and equal in technological advance and superiority, to that enjoyed and obtained by people living in the metropolitan areas of Australia.

#### **Workplace Relations: Trade Practices Act**

**Miss JACKIE KELLY**—My question is addressed to the Minister for Workplace Relations and Small Business. Minister, in recent radio interviews various options to change the Workplace Relations Act have been canvassed. Would you outline to the House what these options are and what impact they would have on the current waterfront dispute?

**Mr REITH**—Yes, Mr Speaker, I am aware of various proposals to change the Workplace Relations Act, and I was aware of them really all the way back when we originally drafted the Workplace Relations Bill in consultation with the ACTU and the employer group, ACCI. What has always been clear is that the ACTU are implacably opposed to some aspects of the Workplace Relations Act. Last week, the official statistics revealed that we had the lowest level of industrial disputes since 1913. One of the reasons for that is that we now have a system in place which requires employees and unions to return to work, where so directed by the Industrial Relations Commission.

We also have new powers in the Trade Practices Act which are a ban and prohibition on secondary boycotts and primary boycotts. On the waterfront today, for example, the reason Australia is not in a state of national economic chaos, why we are not in a state of national paralysis, is because the new provisions of the Trade Practices Act make it very difficult for the unions to bring the country to a standstill. When Labor was in, for example, when they were trying to sell ANL, Australia was taken out on a national dispute. That was because there was no effective ban against that sort of action.

It is incredible that the ACTU are now proposing the repeal of the provisions in the

Trade Practices Act which have given real protection to the Australian community against industrial thuggery. It is no wonder, therefore, that the Labor Party are now just repeating the directives they have had from the ACTU to repeal these provisions in the Trade Practices Act. If the Labor Party were re-elected, if the Trade Practices Act provisions were repealed, the people who would suffer are not just the Australian community at large but, in particular, all those small businesses that usually cop it by industrial thuggery and blackmail.

The ACTU has a big interest in this because some of the affiliates of the ACTU have in fact been taken to court by the ACCC for breaches of the Trade Practices Act. So it is no wonder the ACTU wants those provisions repealed. Who would suffer? The very small businesses today who are protected by those provisions. Why do they want them out of the Trade Practices Act? Because in the Trade Practice Act if you are in breach of that act, you go before a real court and you face real penalties, up to \$750,000. You can also face injunctive relief being provided against industrial thuggery.

It is a classic case of one area where the Labor Party seem to have a policy but it is not their policy; it is a directive from the ACTU. The ACTU's directive is that they basically want the unions off the leash. They want the unions to be able to run secondary boycotts against small businesses if Labor is re-elected. That is why that is their policy. They will also enhance for themselves the wider powers in the commission again, which is just basically a deal for the trade union movement.

They will abolish the Office of the Employment Advocate. Why do they want to abolish that? Because if you are being dragooned by a union into joining a union, the one person you can ring up today and get some real help from is the Office of the Employment Advocate. These directives from the ACTU and the fact that the member for Canberra is happy to mouth the requirements on him by the ACTU show what a risk Labor really is.

**Telstra**

**Mr BEAZLEY**—My question is to the Prime Minister. Is the Prime Minister aware that the subsidy to residential phone services in rural and remote Australia costs up to \$6,800 per connection for Australians living there? What kind of core as distinct from non-core promise can you give to Australians living in the bush that they will not have to pay this or any differentiated amount in comparison with the cities for access to more costly new telecommunications services and technologies under a fully privatised Telstra?

**Mr HOWARD**—One of the most significant unrepudiated claims in this whole debate is the claim made by the Leader of the Opposition when minister for communications in the former government when he actually intimated to the managing director of Telstra, Mr Blount, that it was the long-term aim of the Labor Party to privatise the entirety of Telstra.

**Mr Beazley**—That's absolutely untrue.

**Mr HOWARD**—The very interesting thing is that the Leader of the Opposition has never come into the parliament and denied it. The Leader of the Opposition has never done so.

**Mr Beazley**—Mr Speaker, I raise a point of order. I have repudiated that repeatedly.

**Mr SPEAKER**—That is not a point of order. And this is not the time for personal explanations.

**Mr HOWARD**—You notice the slippery use of the words. You notice that he is not prepared to say, 'I did not tell Mr Blount that I wanted to privatise the entirety of Telstra.' That is very significant, because everybody knows that the Leader of the Opposition has an enormous amount of form on this subject. That kind of slippery, half-smart answer does not convince anybody. I am intrigued that, yet again given the opportunity, the Leader of the Opposition is not quite prepared to bring himself to actually say that he did not make that comment to Mr Blount, because maybe he did.

**Mr Beazley**—Mr Speaker!

**Mr SPEAKER**—The Prime Minister will resume his seat. Does the Leader of the Opposition have a point of order?

**Mr Beazley**—Absolutely, Mr Speaker, and it goes to relevancy. This actually has nothing to do with it, but I repudiated it repeatedly.

**Mr SPEAKER**—The Leader of the Opposition—

**Mr Beazley**—I have never said anything like that to Mr Blount at any time, and you know it.

**Mr SPEAKER**—The Leader of the Opposition knows that there is a procedure in this place to make personal explanations. The Leader of the Opposition will either make a point of order—

**Mr Beazley**—I have made that statement repeatedly, because I think a 100 per cent privatised Telstra in government hands will fail to deal with the needs of the Australian people.

**Mr SPEAKER**—Order! That is not a point of order. The Leader of the Opposition will resume his seat.

**Mr HOWARD**—I know he is very sensitive on these issues because he and his party have an enormous amount of form. He and his party misled the Australian public about the sale of other government assets. Once again, they are misleading the Australian public in relation to the sale of Telstra.

As many people said during the last election campaign, the only difference between us and the Labor Party is that we were prepared to say before the election what we were going to do after. Does anybody seriously believe that if the Labor Party had won the last election it would not have gone about selling at least one-third of Telstra? Of course it would have. Everybody knows that. Every man and woman in the gallery knows that. Every Australian knows that. These phoney attempts by the Leader of the Opposition to pretend—

**Mr Beazley**—Mr Speaker, I raise a point of order on relevancy. This was a very specific question about guarantees to the bush. We have not heard in the three minutes so far of the Prime Minister's answer, despite his

attempt to heap calumny on us, an answer on that.

**Mr SPEAKER**—There is no need to extend. You are not now addressing the point of order. The Prime Minister will be relevant to the question. I call the Prime Minister.

**Mr HOWARD**—Their record declares it.

**Mr Katter**—Mr Speaker, I raise a point of order with respect to the comments made by the Leader of the Opposition. The trade union movement came here—

**Mr SPEAKER**—The point of order has been resolved. The honourable member will resume his seat. That point of order has been resolved.

**Mr HOWARD**—I would say further to the Leader of the Opposition that the legislation to be introduced into the parliament this week by the government will provide the most comprehensive, most detailed, most generous and most enduring guarantees of community service obligations and equality of service for all Australians, irrespective of where they live, that have ever been delivered by any government.

I make one other observation. All of the questions asked by the Leader of the Opposition seem to proceed upon the extraordinary proposition that, if you want to make something efficient, if you want to ensure that the quality of service is continually improved, you retain it in 100 per cent government ownership. That has not been the experience of Australia over the years. That has not been the experience of other countries. I do not believe it will be the experience in relation to Telstra.

#### **Burma: Mr Nicholas Cheesman**

**Ms JEANES**—My question is addressed to the Minister for Foreign Affairs. Can the minister inform the House of developments regarding the detention of Mr Nicholas Cheesman, an Australian national, on the Thai-Burma border? What action has been taken by the Australian government in regard to this situation?

**Mr DOWNER**—I thank the member for Kingston for her question. The government first heard early yesterday morning that Mr

Nicholas Cheesman and a Thai colleague had been detained apparently by the Democratic Karen Buddhist Army in Burma. We have not been able to confirm at first hand his welfare, but we understand that Mr Cheesman is as well as could be expected in these difficult circumstances and we are not aware that any demands have been made. Mr Cheesman works for a non-government organisation called Burma Issues and this organisation is taking a lead role in negotiating his release and that of his Thai colleague, and my department believes that for the time being this is the best way to proceed.

This morning both the Thai and Burmese ambassadors were asked to come in to my department and meet with the head of the South-East Asia division. This was an occasion for the government to register our concerns in the strongest possible way and we sought their assistance in working towards a safe release of Mr Cheesman and his Thai colleague. Yesterday I instructed the embassy in Bangkok to send an officer—I think they are going to send two actually—to Mae Sot immediately. This will help to ensure that we are best placed to assist on the ground.

By yesterday afternoon my department had undertaken extensive consultations with our embassies in Rangoon and in Bangkok. Our embassies made contact with the Thai and Burmese governments, and I understand the issue has been raised with the Burmese foreign minister himself and at senior levels in the Thai government. Senior officers in Canberra spoke with the Burmese ambassador and a senior official in the Thai embassy expressing our concern and seeking their assistance.

Also yesterday afternoon my department convened a special interdepartmental committee of representatives of departments and agencies with capabilities to contribute in situations such as these. The committee will continue to monitor the situation and, if necessary, recommend further action.

Finally, Mr Speaker, let me inform you and the House that Mr Cheesman's parents have expressed their confidence in the actions now being taken by Burma Issues to secure the release of their son. We naturally respect the



parent's wishes and will continue to do all that we can to assist. I know the Australian people would expect us to do so.

#### Dental Health

**Mr LEE**—My question is addressed to the Prime Minister. Does the Prime Minister recall his personal guarantee to the Australian people in February 1996 that 'under my government, pensions and other social security payments and entitlements will not be cut'? Is the Prime Minister aware that the Council on the Ageing has expressed concern about an 82-year-old woman who was refused emergency dental treatment, despite the fact that she was unable to eat properly and in danger of malnutrition? With dental waiting lists increasing every day, Prime Minister, will you now agree to reconsider your cruel decision to abolish the Commonwealth dental health program? Prime Minister, will you now apologise to the 82-year-old woman for breaking your personal guarantee?

**Mr HOWARD**—I will naturally have a look at the particular case that has been raised by the honourable member. I take the opportunity afforded by the question asked by the member for Dobell, first of all, to refute completely the claim that the decision taken in relation to the dental service in any way breached the undertaking that I gave in relation to pensions. Not even the fervoured, juvenile imagination of the member for Dobell could persuade anybody that a commitment made in relation to pensions relates to the maintenance of every Commonwealth and state program no matter what it may be.

**Mr Lee**—Entitlements, and you know it!

**Mr SPEAKER**—The honourable member for Dobell will resume his place.

**Mr Costello**—There is no entitlement.

**Mr HOWARD**—No entitlement. He does not even understand the meaning of the English language. Because the member for Dobell has asked me the question, I take the opportunity to reminding those who sit opposite that the level of benchmarking of pensions under my government has been more extensive and more generous and indeed beyond the commitments that were made at the time of the last election.

I say to the member for Dobell that, so far from breaching a commitment in relation to pensions made at the last election, we have in fact gone beyond what we undertook to do in the pension area. We put it in legislation and, in addition to that, we have extended it in relation to war widows—a decision that I announced last week. That goes beyond what we promised.

I say to the member for Dobell, so far from us welching on that promise, we exceeded it. We delivered that promise in full. We went further. Just as we have gone further in relation to relief in relation to small business, so we have gone further in relation to relief for pensioners. I remember that the President of the Pensioners Federation of Australia, I think Mrs Maguire is her name, when she learnt that as a result of the pegging of the old age pension to 25 per cent of male average weekly ordinary time earnings—and that was in legislation brought in by my government—and when she learnt that there was going to be an increase of something like \$6.80 a fortnight, she expressed her pleasure and she expressed her surprise.

When you bear in mind that this is occurring in an era of zero inflation—I repeat: in an era of zero inflation—what my government did in relation to that was appropriate. It was certainly what the pensioners were entitled to receive. I reject totally any miserable dishonest claim by the member for Dobell that we have broken commitments. We have not broken commitments.

**Mr Lee**—Point of order, Mr Speaker.

**Mr HOWARD**—Dishonest—what's your trouble?

**Mr SPEAKER**—The member for Dobell, have you a point of order?

**Mr Lee**—My point of order is that it is unparliamentary—

**Mr SPEAKER**—No, it is not.

**Mr Lee**—for the Prime Minister to accuse me of a dishonest allegation that has been made by the Council on the Ageing.

**Mr SPEAKER**—The honourable member for Dobell will resume his seat. The Prime Minister is entirely in order.

**Mr Martin Ferguson**—We are going to get another lie. Tell another lie.

**Mr SPEAKER**—The honourable member for Batman will withdraw that remark!

**Mr Martin Ferguson**—I withdraw but ask for an explanation. What is the difference between 'dishonest' and 'a lie'?

**Mr SPEAKER**—The honourable member for Batman will withdraw that remark!

**Mr Martin Ferguson**—Mr Speaker, in withdrawing, I also ask for an explanation of the difference between 'dishonest' and 'a lie'.

**Mr SPEAKER**—The honourable member will resume his seat!

**Mr Lee**—Mr Speaker, I rise on a point of order. I call on the Prime Minister to withdraw his allegation that I made a dishonest allegation based on the Council on the Ageing's analysis of his dental cuts.

**Mr SPEAKER**—That is entirely within the procedures of this place. The honourable member for Dobell will resume his place.

**Mr HOWARD**—It is very accurate. It was. It was very dishonest.

**Opposition members**—Dishonest John!

**Mr SPEAKER**—The members of the opposition will remain silent! The honourable member for Hotham! The honourable member for Prospect! The honourable member for Burke!

**Opposition members**—Dishonest John!

**Mr SPEAKER**—The honourable members of the opposition will remain silent.

**Mr Gareth Evans**—Dishonest John!

**Mr SPEAKER**—The Deputy Leader of the Opposition will remain silent! When you have resumed your silence, we will start question time again.

**Mrs Crosio**—Dishonest John!

**Mr SPEAKER**—The honourable member for Prospect is a member of the Speaker's panel and should know better. I ask her to remain silent.

**Mr HOWARD**—Not only do I reject completely the erroneous claim made by the member for Dobell that the dental service in some way breached the undertaking regarding

pensions, I take the opportunity of telling the pensioners of Australia that we have not only kept all of our promises to them but also gone further. At a time of zero inflation, we have indexed the level of the pension to male average weekly ordinary time earnings. As a result, they have received an increase of \$6.80 a week that they would not have received if the former government had remained in office. That is the take-out of this. If you had remained in office and you had applied the CPI, the pensioners of Australia would not have received it.

#### **Defence: Relations with New Zealand**

**Mr HALVERSON**—My question is addressed to the Minister for Defence. Can the minister advise the House of progress in relation to Australia's important relationship with New Zealand?

**Mr McLACHLAN**—I thank the member for Casey for what I think is his debutante question in this parliament. Last week, with my New Zealand counterpart, Max Bradford, we agreed a joint statement on future directions in the case of defence relations. In pursuing these arrangements, we will do a number of things, including increasing the senior defence exchanges, planning to increase our ability to mount combined operations and getting together on common equipment buys.

I also put to Mr Bradford and other New Zealand officials that they should consider increasing their defence spending in New Zealand. In 1996, in US dollars, the New Zealanders spent \$205. In Australia, we spent \$455 per head, just 45 per cent of the Australian figure which, of course, is 45 per cent of the current US spend. Both these matters are matters for the New Zealand parliament to decide but, in line with the New Zealand defence minister, who expressed similar concerns, I hold some hope that future New Zealand budgets might improve somewhat. At the same time, I put to them that they should acquire a third Anzac frigate. There is some chance that that might happen later in the year.

### Dental Health

**Mr LEE**—My question is directed to the Prime Minister and, again, refers to his personal guarantee to Australians that, under his government, pensions and other social security payments and entitlements would not be cut.

**Mr SPEAKER**—The honourable member will direct his question.

**Mr LEE**—Is the Prime Minister also aware of the concerns expressed by the Council on the Ageing about a gentleman from a rural area in his 70s who broke a tooth off at the weekend and was told that, because he could not afford the \$1,000 to have it repaired privately, he would have to go onto a two-year waiting list because it was not an emergency? He was also told that he would need to be not only in pain but also bleeding from his broken tooth. How can the Prime Minister claim that cutting back dental services is not a denial of his entitlements?

**Mr Ross Cameron**—Mr Speaker, I rise on a point of order and refer to standing order 144(a), specifically the use of alleged statements of facts in questions. I ask that you require the member for Dobell to personally authenticate the information upon which he is relying or rule the question out of order.

**Mr SPEAKER**—The honourable member for Dobell has referred to a report from the Council on the Ageing. The question, therefore, is in order. In those circumstances, I invite the Prime Minister to respond.

**Mr HOWARD**—Last week we had a few examples of the Leader of the Opposition and the member for Hotham putting propositions to me which were factually flawed.

**Mr Beazley**—They were all right.

**Mr Crean**—They were true.

**Mr HOWARD**—No, they were not. They were both completely wrong. They were not all right.

**Mr Crean**—Yes, they were.

**Mr SPEAKER**—The honourable member for Hotham will remain silent!

**Mr HOWARD**—They were both completely wrong. I will analyse the case. If the member would like to send me the details of

it, I will analyse it. But I am certainly not going to take as gospel claims of fact made by members of the Labor Party frontbench.

### Regional Mobile Telephone Services

**Mr ANTHONY**—My question is addressed to the Minister for Transport and Regional Development. What action is the government taking to ensure that regional Australia maintains access to the mobile phone network?

**Mr VAILE**—I thank the honourable member for his question. It has been interesting to note some of the questions coming from the Labor Party today about telephone services to regional Australia. People in Australia, particularly the people in regional Australia, should realise that Labor's 1992 decision to close down the analog network by 1 January 2000 was a disaster, an unmitigated disaster. It made no provision for regional areas which receive only analog coverage. Labor mandated a particular technology and, in doing so, ditched the interests of regional Australians.

Labor made matters worse when they built their decision into licensed conditions and into a contract with Vodafone. They sold out regional Australia, where analog systems were fairly well-established, to provide a financial incentive to a commercial network operator. Thanks to that Labor decision in 1992, any attempt by this government to legislate to overturn the analog phase-out could expose taxpayers to risk of compensation. In stark contrast to that, we support people in regional Australia. Our government is fixing another mess left by Labor. This has been another unmitigated mess left by Labor.

We will see that all areas of regional Australia will continue to get reasonably equivalent coverage after 2000 AD, the year their services would have ceased under Labor. By 30 June this year, the ACA review will look at each regional area which currently has AMPS service to see if Labor's AMPS phase-out would leave that area without any reasonable, equivalent alternative mobile phone coverage. An AMPS service will be retained in regional areas after Labor's cut-off in the year 2000.

It has been left to a coalition government to address the needs of regional Australia as far

as telecommunications services and mobile phones are concerned. Labor were going to leave lots of parts of regional Australia completely without mobile phone services and they legislated that way. It has taken the coalition government to come back and address the problem, and we are doing that. All parts of regional Australia will have a reasonably equivalent mobile phone service after the year 2000, when the Labor party were going to cut lots of areas of regional Australia off from having mobile phone services.

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

#### QUESTIONS WITHOUT NOTICE: ADDITIONAL RESPONSES

##### Telstra

**Mr HOWARD**—I want to add to an answer that I gave to the Leader of the Opposition to a question he asked me about guarantees. I remind the Leader of the Opposition that, amongst the special measures that will apply for regional users, the ones that have been introduced by the government will continue to apply. For example, local call prices in regional areas may not exceed the revenue weighted average local call price in the major capital cities, and the most remote 17,000 Telstra customers now receive a rebate on their pastoral call spending of up to \$160 a year as a means of giving them a benefit equivalent to being able to make untimed local calls to essential services.

They are part of a very extensive number of guarantees which are well known to those in this parliament who represent rural and regional areas. They will of course be entrenched in the community service obligations to be contained in the legislation to be introduced this week by the government. They put paid to the scare campaign of the Leader of the Opposition.

#### PETITIONS

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

#### Therapeutic Goods Advertising Code

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 our concerns regarding the issue of the proposed new Therapeutic Goods Advertising Code.

Your petitioners therefore pray that the House take immediate steps to reject the current form of the legislation which will:

1. Bring into being a Therapeutic Goods Act that will severely curtail fair competition by restricting permissible statements in advertising that far exceed the restrictions imposed on any other sector of private enterprise.
2. Set up a system by which even unwitting offenders against the Advertising Code will have no legal recourse and can be effectively prevented from trading.
3. Limit the right of citizens to make fully informed choices in selecting health care options from the range of traditional and alternative therapies available.

by **Mr Andren** (from 25 citizens) and

**Mr Lee** (from 53 citizens).

#### Australian Pensioners and Superannuants Federation

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

The petition of certain pensioners, superannuants and retirees points out to the house that Government funding for the Australian Pensioners' and Superannuants' Federation's national secretariat will cease on 30 September 1997. The Federation provides advice to the Government on older people's needs and concerns, publishes independent information for older people and works to ensure that older people have a say in decisions that affect their lives.

Your petitioners therefore ask the house to direct the Government to provide funding to ensure that the Australian Pensioners' and Superannuants' Federation can continue its valuable work for and with older Australians.

by **Mr Andren** (from 546 citizens).

#### Multiculturalism

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

The petition of certain residents of the State of Queensland draws to the attention of the House, the refusal of the Prime Minister of Australia, the Honourable John Howard MP, to sign a joint

declaration with Australia's five most recent Prime Ministers, in support of multi-culturalism and repudiating the racist statements and policies of the Member for Oxley and the "One Nation Party".

Your petitioners therefore ask the House to endorse the initiative proposed by the former Prime Minister, the Honourable R.J.L. Hawke and encourage Prime Minister Howard to sign the joint declaration and send a powerful message throughout Australia and the Asia-Pacific Region that racism will not be tolerated in this multicultural nation.

by **Mr Beddall** (from 1,028 citizens).

#### **Pharmaceutical Benefits Scheme**

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

This petition of certain residents of the State of Queensland notes with concern the impact of the Federal Government's continual changes to the Pharmaceutical Benefits Scheme—particularly the financial impact these changes place upon those people who require prescription medicines.

Your petitioners therefore request that the House of Representatives act to ensure that the Pharmaceutical Benefits Scheme does not discriminate against those with the greatest incapacity to pay for prescription medicines.

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

by **Mr Bevis** (from 536 citizens).

#### **Macedonia**

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

The petition of certain residents of Australia draws to the attention of the House the pressing need for an Embassy of the Republic of Macedonia in Australia to fill the consular needs of the Macedonian Community in Australia.

Your petitioners therefore respectfully ask that the House of Representatives urges the Government to establish this Embassy immediately.

by **Mr Eoin Cameron** (from 1,435 citizens).

#### **Second Sydney Airport**

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

The petition of certain citizens of Australia draws the attention of the House to the widespread opposition which exists in western Sydney over the planned development of a 24 hour international airport at Badgerys Creek; the damage to people's health and quality of life that will accompany such a development, and the Federal Government's failure to seriously re-examine other alternative and

more suitable sites for an airport outside the Sydney basin.

Your petitioners therefore pray that the House requests the Federal Government to discontinue its plans to build Sydney's second airport at Badgerys Creek and that it immediately begins a serious re-examination of the suitable airport sites outside the Sydney basin.

by **Mrs Crosio** (from 758 citizens).

#### **Child Care**

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

The petition of certain Gold Grove Primary School and Pedare Christian College Primary Campus School Communities and users of Cobbler Creek Before School/After School and Vacation Care Services draws to the attention of the House:

That we, as parents using the Cobbler Creek Before School/After School/Vacation Care Service/s, strongly object to the additional demands being placed on our service by the Federal Government by the way of numerous extra hours of administration to fulfil a job Centrelink was to do.

Although some families will now be eligible for Child Care Assistance, the additional costs to administer the assistance will cancel any benefits. Those families who cannot receive any benefits will only suffer from the changes by paying higher fees.

There is no room in our budget for extra administration time. We have already tightened the budget to cope with the cut to Operational Subsidy.

This is neither fair nor equitable.

Your petitioners therefore request the House to:

Delay the implementation of Child Care Assistance changes until Centrelink are ready to take them on, or

Provide ongoing funding to services to pay for the additional workload and ongoing cost to programs and therefore the parents.

by **Mrs Draper** (from 72 citizens).

#### **Health**

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

This petition of certain citizen of Australia draws to the attention of the House support of the undersigned for the establishment of radiotherapy services at Wagga Wagga and Albury/Wodonga.

Your petitioners therefore pray that the House will commend the establishment of radiotherapy services at Wagga Wagga and Albury/Wodonga to treat cancer patients residing in the south-west region of NSW and north-eastern Victoria.

The House is advised that the Minister for Health Dr Andrew Refshauge M.P. has given 'in principle' support to the proposed co-located 'sister' clinics at Wagga Wagga and Albury/Wodonga.

We, therefore, respectfully request the House to call on the Federal Minister for Health Dr Michael Wooldridge M.P. to urgently approve the provision of these vital radiotherapy services for country cancer patients who are now disadvantaged by being forced to attend metropolitan based services for long periods of treatment.

by **Mr Hicks** (from 260 citizens).

### Child Support

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

The petition of certain residents of the State of New South Wales draws to the attention of the House the inequalities in the child support system. In particular, the formula used to assess contributions. We also believe contributions should be based on net income, not gross income, and overtime worked should not come into the equation.

Your petitioners therefore ask the House to introduce a more equitable child support system.

by **Mr Hollis** (from 202 citizens).

### Prime Ministers

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

The petition of certain electors from the State of South Australia draws the attention to the House of the following.

The desire of the people of South Australia to have legislation drawn and brought before the House to restrict the spending of all past and future Ex-Prime Ministers to no more than \$1,000.00 per week of taxpayers money on their privileges.

Your petitioners therefore pray that the House introduce legislation to reduce the expenditure of past Prime Ministers to \$1,000.00 per week.

by **Ms Jeanes** (from 8,333 citizens).

### Small Business

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

The petition of certain citizens of South-West Sydney draws to the attention of the extremely difficult trading environment confronted by small business in Australia. Many thousands of small businesses are suffering from harsh, unfair and oppressive conduct at the hands of landlords, franchisors, oil companies and large retail chains. As a result many hard working small businesses are

being driven to the wall, inevitably leading to more unemployment.

We also draw the House's attention to the recommendations of the Fair Trading Inquiry which provides a solution to the aforementioned problems. We the undersigned therefore ask the House to implement these recommendations, particularly those which give legislative protection to small businesses.

by **Mr Latham** (from seven citizens).

### Child Care

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

The undersigned petitioners of the Division of Shortland and adjoining areas are deeply concerned at the Federal Government's reduction of the quality and the affordability of childcare services.

Fees have risen by up to \$25 at some childcare centres and families are facing increased hardships in trying to meet the extra charges.

The Government's cuts and changes to childcare are forcing parents, often mothers, to reduce the hours they work or quit work altogether, so reducing family income and making it more difficult for families to make ends meet.

Some parents are being forced to choose 'back-yard care' which puts their children at risk.

Your petitioners therefore respectfully request that the House call on the Howard Government to restore as a matter of urgency the funds cut from childcare services and ensure that adequate and quality care is available to all Australian families.

by **Mr Peter Morris** (from 74 citizens).

### Medicare Office: Belmont

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

The Petition of certain electors of the Division of Shortland draws to the attention of the House that residents of the East Lake Macquarie area would suffer serious difficulty and inconvenience if the Belmont Medicare office is closed.

Your petitioners request the House to require the government to ensure that Belmont Medicare office remains open.

by **Mr Peter Morris** (from 73 citizens).

### Telecommunications

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

The petition of certain residents of Collinsvale in the State of Tasmania draws to the attention of the House that some residents have either 'no' or 'poor' TV reception in this area.

Your petitioners therefore pray that the House give favourable consideration to a Repeater Station or similar to rectify the TV reception problem.

by **Mr Warwick Smith** (from 67 citizens).

#### **Sydney (Kingsford Smith) Airport**

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

The residents of the State of New South Wales draw to the attention of the House:

That we the undersigned are affected by the long term operating plan for Sydney (Kingsford-Smith) Airport and associated airspace.

The process by which planning decisions have been made was unjust.

The redistribution of aircraft noise as a consequence of the plan is unfair and will continue to be unfair.

Therefore your petitioners request the House to:

Establish a commission of inquiry or a judicial inquiry to investigate all aspects of the plan including the part played by senior members of the coalition government.

by **Mr Zammit** (from 657 citizens).

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(1) That we the undersigned are affected by the long term operating plan for Sydney (Kingsford-Smith) Airport and associated airspace.

The process by which planning decisions have been made was unjust.

The redistribution of aircraft noise as a consequence of the plan is unfair and will continue to be unfair.

Therefore, your petitioners request the House to:

establish a commission of inquiry or a judicial inquiry to investigate all aspects of the plan including the part played (if any) by any of the senior members of the coalition government.

(2) We support the action of the Mayor and Council of Concord in demanding that the new flight paths over the Municipality of Concord should cease immediately and the government honours its pre-election promise limiting the implementation of new flight paths.

(3) Citizens of Concord demand that the federal government addresses its responsibility to provide for proper air services with minimal impact on residential areas.

by **Mr Zammit** (from 103 citizens).

Petitions received.

### **PRIVATE MEMBERS BUSINESS**

#### **Waterfront**

**Mr SAWFORD** (Port Adelaide) (3.29 p.m.)—I move:

That this House:

- (1) notes that the current dispute between Patrick's Stevedoring Company and the Maritime Union of Australia is not in the national interest; and
- (2) calls upon the Government to urgently bring together all the players on the Australian waterfront, namely exporters and importers, stevedoring companies, the Maritime Union of Australia, the shipping companies and the port authorities to constructively and collaboratively recommend actions required to achieve world's best practice.

The Minister for Workplace Relations and Small Business (Mr Reith) ought to be soundly condemned for his disgraceful and outrageous actions in promoting a strategy of confrontation, misinformation and fabrication about the situation on the Australian waterfront—not for reasons of productivity or efficiency, but simply as a distraction to the main issues leading up to the next election. What confirms this destructive strategy is none other than the minister's fabricated comments on the port of Adelaide when he made a complete idiot of himself.

The port of Adelaide is the most efficient in Australia. It is a very good story, and the relationship between Sealand and the Maritime Union of Australia is harmonious, productive and constructive. It is built on trust and goodwill. What the port of Adelaide did not do, however, was fit into the minister's fabricated comments. The minister could have used, if he was genuine, the port of Adelaide as an example for others: crane rates in September 1993 were 19.8, crane rates in September 1996 were 22.7 and the latest crane rates are 24.8. I think that is about efficiency and productivity.

But that did not fit the strategy and so, on a visit to South Australia to prop up his skittish backbench, he launched himself into a lather and furiously fabricated a nonsense about the port of Adelaide. Mr Reith was outraged. How dare Captain Andy Andrews

from Sealand—someone who actually knows a few things about the waterfront, unlike that merchant banker from Patrick's, Chris Corrigan—not only refuse to be a lap-dog for the minister but also have the gall to correctly refute outright the claims made by the minister. When the Adelaide media followed up the minister's comments and checked their authenticity, they soon realised they were a total fabrication—a total beat-up—and killed the story stone dead.

It is not generally appreciated by the general community that, unlike the rest of the Australian workplace, the Australian waterfront operates 24 hours a day, 365 days a year. The government, which should play a conciliatory problem-solving role, decides instead to be involved in the disinformation campaign to destabilise the Australian waterfront. For example, take the misrepresented comparisons trumpeted out by the minister comparing port productivity and efficiencies with the huge hub ports of the world, such as Antwerp, Rotterdam, Singapore and Hong Kong. In the main, Australian ports are regional ports, they are not hub ports, and where comparisons are made at least apples ought to be compared to apples.

Let me give an example of why those container rates per hour can vary so greatly. If a ship with 3,000 containers calls into Singapore and all the containers are unloaded conveniently to a wharf space and transport mode alongside, obviously you will get an optimum rate of containers per hour. Contrast that situation with what so often happens in Australian ports. If a ship wishes to unload not thousands but hundreds—maybe only 100 or 300 containers—which is a very common occurrence in Australian ports, such an optimum rate as gained in the Singapore example simply is not possible.

That is further complicated by the following situation oft repeated in ports all over Australia: a ship calls into a regional port to off-load 100 containers but, because of stowage provisions and the number of slots available, you have to get 200 off the ship in order to get to the 100 and another 100 have to be returned. However, these and many other factors are totally ignored by a minister for

whom misrepresenting has become commonplace for him.

Further productivity and efficiency on the Australian waterfront should be a major goal, and I have no problem with that whatsoever. It seems that this government and this minister clearly want to take this country back to the ugly times of the mid-1950s that I remember as a child when many wharf labourers and their families lived on rations for month after month.

**Mr Kerr**—You're too young to remember that.

**Mr SAWFORD**—Yes, I can remember 1954 and 1956. I can remember very clearly deliberate confrontation, deliberate provocation, deliberate peddling of misinformation, deliberate inflammation of disputes and deliberate untruths.

There are a number of players on the Australian waterfront: the exporters and importers, the shipping companies, the stevedoring companies, the Maritime Union of Australia, the port authorities and the government. Instead of playing a constructive role, this government has become an agent provocateur. As the federal member for Port Adelaide, I do receive complaints concerning the Australian waterfront, but in 10 years I have never received one complaint about the waterside worker. The complaints generally come from exporters and importers. What do they complain about? They complain about the Australian quarantine system not being available at appropriate hours, they complain about warehousing and available hours, but they say their biggest complaint is about transport facilities—or, more accurately, the lack of them.

In Port Adelaide, we need a further river crossing—an opening bridge for road and rail—that, if delivered by the state government, which is responsible, would give the city of Adelaide the best transport hub in Australia and one of the best in the world. That is when productivities and efficiencies would improve, particularly if available information technology were also introduced.

The government's agenda and its complainants are well known, and they have nothing



whatsoever to do with productivity or efficiency. The agenda and the complainants are the following: they are the union busters; they are the proponents of the casualisation of labour; they are the proponents of eroding workers' conditions; they are the proponents of no sick leave for workers; they are the proponents of no holiday leave for workers; they are the proponents of reducing the benefits of occupational health and safety; they are the proponents of reducing workers compensation for death and injury in the workplace; they are the proponents of having workers work more for less remuneration.

A lot has been said by the minister about the remuneration of wharf labourers. In Port Adelaide, you work 15 weeks on, one week off, but you need to be available 24 hours a day. You are involved in a whole multitude of often very dangerous activities. I always thought high wages were part of a strong economy, a strong work force with high skills, and I thought that that was something we ought to be aiming for, not reducing—

**Mr Hollis**—Not if you're blue collar, according to them.

**Mr SAWFORD**—I thank the member for Throsby. The proponents think that the only things worth pursuing are the personal rewards of a chief executive officer and to hell with the people who actually do the work. You can see similar instances of it with teachers, nurses and perhaps even the policemen on the beat.

Reforms have been achieved on the Australian waterfront, and Labor was at the forefront of those reforms in the late eighties and early nineties. This was because the Labor government, in stark contrast with the Howard government, actually worked towards solutions in the national interest and did not use the waterfront as a convenient dispute leading up to an election. Ship turnaround times have halved. Rates of container lifting increased dramatically. I simply point to the earlier figures I gave for Port Adelaide. Certainly there was a significant cost to those operations of over \$400 million, but they created benefits of more than \$200 million a year to the Australian economy. The key point I make is that under a Labor government these

changes were implemented without any industrial action by the Maritime Union.

Labor also reformed port authorities and achieved new investment by stevedoring companies. Productivity gains have been achieved, and I acknowledge further improvements can also be achieved. However, the Howard government's approach is deliberately divisive and will cost business dearly in the long run and, in all probability, will not succeed.

The government, mainly through this minister, has used an approach that abuses waterfront workers, fabricates false comparisons on productivity and wages, gets involved in crackpot schemes like the Dubai mercenary exercise and spends money on its mates for those very doubtful consultancies on waterfront reform. What an appalling indictment of the government. Given the choice of constructive engagement or intimidation, it chooses the latter. History will record very accurately the folly of this government and its supporters on the Australian waterfront and the role of the destructive elements within the government.

I find it terribly ironic that one of the ports continually used by the minister as a comparison, Antwerp—which, incidentally, I visited last year—has a totally unionised work force and has not had a strike for 30 years. Instead of simply comparing the container rates per hour, the government could have examined how and why that was achieved in Antwerp. I can tell you very simply, Mr Deputy Speaker, that it was cooperation, not confrontation. It was sitting down at the table in calm negotiation, not deliberate inflammation of disagreement. It was respect for all the players on the waterfront—all the players, not deliberate abuse of one section. This demands, of course, that the government possess the necessary intellectual skill and rigour and the intelligence to apply that skill and rigour. Unfortunately, that framework is beyond the capabilities of this government and, in particular, the minister for workplace relations. This dispute on the waterfront is a deliberately manufactured one. (*Time expired*)

**Mr DEPUTY SPEAKER**—Is the motion seconded?

**Mr Robert Brown**—I second the motion and reserve my right to speak.

**Mr COBB** (Parkes) (3.39 p.m.)—The wording of this motion on the waterfront is indeed strange in its ambiguity. In the first section it says it is not in the national interest to have a current dispute between Patrick's and the MUA. It seems to me there is only one side that is causing that dispute, and that is the Maritime Union of Australia.

**Mr Sawford**—Patrick's.

**Mr COBB**—The other side interjects 'Patrick's'. How is Patrick's causing a dispute? It is in Patrick's interests to be out there working to get things rolling, and that is exactly what they are trying to do. Everybody in this country knows that the only reason we are having disputes in this country at the moment is that Patrick's has leased spare space at Webb Dock to the National Farmers Federation to set up a new interest. That is the only reason.

John Coombs is out there trying to destroy Patrick's, doing everything within his bailiwick to soothe his members onto Patrick's and to cripple them financially. He may be successful one day, but if Patrick's closes down perhaps the situation will be reopened with a greenfield site and a non-unionised work force. So Coombs may cut off his nose to spite his face if he pursues that action.

The second part of the motion says that the opposition want to recommend actions required to achieve world best practice. The previous government were in government for 13 years and what did they do? At the end of the 13 years we still have world's worst practice on the Australian waterfront. The previous government had 13 years to do it. Presumably they were going to do it in the 14th year. Other governments in this country, stevedores and others have been trying for a hundred years to improve things on the waterfront and nothing has happened.

We have had a shocking situation on the waterfront in this country for that time. The stories are legend, including those about what used to happen in World War II when strikes took place holding up vital material destined for Australian troops overseas. If we just go

back over the last 13 years, the previous government spent \$420 million trying to tidy up the situation, paying out excess labour, and at the end of it all we are still running last in the world. That is the fact of the matter: we are running last in the world. TEUs, 20-foot containers, are moving 17 and 18 boxes an hour—the Australian average across our waterfront—when the rest of the world is doing at least 25 or 30.

How can we in this country hold up our heads when countries like Thailand and the Philippines and our neighbours next door, New Zealand, let alone Mozambique, achieve 25 to 30 containers an hour and our average is 17 to 18? It is an incredible situation. To take a sporting analogy, it is a bit like the world's best athletes running a mile in three minutes and 45 seconds while in Australia the best runner is doing six minutes and 30 seconds. It is unbelievable. If that were happening it would be a cause for national shame. People would be having conferences and saying, 'What can we do about this? Let's correct the situation.' Can you imagine, in the year 2000, the Australian runner in the 1,500 metres being lapped not once but twice? That is what is happening on our waterfront today.

**Mr Tanner**—Rubbish!

**Mr COBB**—It is! If, according to official statistics, we are moving 17 and 18 boxes an hour and the rest of the world is moving from 25 to 30, we are being lapped twice. How can people like John Coombs head up the union movement on the waterfront in this country when other union leaders in other industries have got their act together to a far greater degree than he?

The union uses the most incredible excuses. We have all received in our offices a folder with a personal letter from John Coombs. It includes a question and answer sheet saying that the reason for the situation is that the equipment is 20 years out of date—20 years out of date! P&O and Patrick's have, I think, spent \$400 million upgrading the equipment in the last five years. I can guarantee that our equipment is as good as, if not better than, the equipment in Mozambique, the port of Auckland or other comparable docks around

the world, yet we are running the mile in six minutes and 30 seconds! That is the fact of the matter.

It is not as though waterfront workers have to have miraculous equipment these days. The equipment is pretty standard around the world. It is not as though one company or one country has to have some whizzbang equipment. Australia's equipment is the equivalent of that of Mozambique and New Zealand, and we are still running behind. That is the fact of the matter. They also go on to say in this brochure:

Q. Why does what's been happening at the Webb Dock matter?

A. It means non-unionised wharves and ships can become the norm.

That is the rub of it all. They are terrified that if workers are given a choice they will not all join the union.

**Mr Tanner**—They have a choice now.

**Mr COBB**—They have a choice? We all know that the docks around Australia are 100 per cent unionised. All the NFF is doing with P&C Stevedores is starting up another company, just as a person can go out here in Canberra and start up another fish and chip shop or a newsagency or whatever. Nobody goes off their brain about that. But the union on the waterfront is so terrified that they will lose their 100 per cent monopoly and they are so insecure—because they know they are running the mile in six minutes and 30 seconds and they cannot compete with the rest of the world, let alone with the others in Australia who want to have a go—that they pull on all these strikes and they try to cripple Patrick's.

One of the excuses they use in this document is to say that safety standards will slip. For heaven's sake, the worst safety record of any industry in Australia is on the waterfront now. We have a number of reports to show that. A recent report by Michael Easson, a Labor Party person, is absolutely damning about what is happening with occupational health and safety on the waterfront. He said that the Australian stevedoring industry:

... is performing very poorly compared to other major industries in Australia.

The number of work related injuries and diseases per 1,000 employees in stevedoring in 1994-95 was 160.0 whereas the next highest figure among major industries was 64.3 for the mining industry. In the same year the all industries figure was 29.1.

I would have thought that by any common-sense standard the mining industry was far more dangerous than being on the waterfront. These days most of the time wharves are sitting in airconditioned cabins and yet they have 170 per thousand employees compared with a rate in the mining industry of 64. I think that says it all. The reason for this is the work hiring practices. The stevedoring companies, which are not blameless, cannot hire and fire who they want. As a result of that, safety standards have slipped. It is a very poor situation indeed.

The strike record for the waterfront is 10 times that for the industry record for the rest of Australia. On things like reliability, time taken and value for money, again on any survey we are running last in the world. We are probably not even running a 6 minute 30 second mile. We are probably running a 7 minute 30 second mile. Brisbane, Burnie, Adelaide, Fremantle, Melbourne and Sydney came last, in that order, on ports that were surveyed around the world. Other cities like Singapore, Oakland, Osaka and Auckland were beating us. Auckland was three times more efficient than Sydney, using the same or less equipment. What an incredible situation.

They are trying to say that P&C Stevedores, the new operator that intends to be at Webb Dock, is a non-union operation. Again, that is not true. Anybody there who wants to join a union can if they so wish. There are no restrictions one way or the other.

They say that this is a union busting exercise. It is not a union busting exercise. It is simply another company that wants to set up and work. If they are any good at all, they will succeed. If they are not, they will fall over and someone else can have a go. They complain about people being trained overseas. Is there a person in this chamber who does not have a member of the family who has not been partially trained overseas? (*Time expired*)

**Mr HOLLIS** (Throsby) (3.49 p.m.)—It is interesting that of the government speakers not one has a port in their electorate. Of course the government members, like the member for Hinkler (Mr Neville), who does have a port in his electorate, would not come in and speak on this because they know that what the government members are saying is nonsense. At least the member for Hinkler and others have a bit of an understanding about the ports.

The honourable member for Parkes (Mr Cobb) made much of the sporting analogy of running around the track. If anyone were running around a track that was not surfaced or that had ruts and so on, of course they would be lapped. And that is exactly what is happening here. We have not got the equipment on the ports.

He also mentioned Mozambique. The honourable member for Parkes and I both visited the port in Mozambique some years ago. We both know that when we were there they were modernising it. They were getting equipment. I happened to have a personal interest in that because it was a group from the University of Wollongong that was responsible for it. The port of Mozambique today is one of the most modern and efficient ports in the world, with proper equipment. So of course they have that record. That is what we want here.

There is no argument that Australia needs best practice on the waterfront. As an island continent with international trade mainly realised through seagoing transport, it is essential that we have a modern, efficient waterfront. My argument with members of the government, and especially the Minister for Workplace Relations and Small Business (Mr Reith), is that provocative actions, distortions, myth making and demonisation are not the way to achieve industrial harmony on the waterfront or to achieve world's best practice.

What I find most frustrating about the whole debate is the way this government, and particularly the minister, try to portray this issue. The government would like us all to believe that all of the problems on the waterfront are the responsibility of only one sector—the waterside worker. An inquiry by the

House of Representatives Standing Committee on Transport, Communications and Infrastructure in 1992, of which I was a member, identified many of the problems on the waterfront. The report found—and every member of the government should read it—that there were a whole host of issues on the waterfront which cause problems, and the waterside workers are but one.

We have heard much about farmers wanting to establish their own stevedore, yet in many cases it is the farmers' themselves, as users of the waterfront, who are among the main contributors to the inefficiency that exists on the waterfront. We hear much too about the low productivity rates at Australian ports. Yet what we do not hear at all is that when it comes to bulk commodities such as grain, coal and iron ore we are productive by a long shot. Australian ports which handle bulk commodities are achieving world's best practice.

I can recall reading the daily commercial news here in Canberra last year and the leader was all about the bumper crop of wheat—19 million tonnes—all loaded in record time, and Port Kembla made a contribution to that. But perhaps we should ask the question why bulk handling ports are efficient. The answer is a simple one: the receipt of products has been streamlined and modern equipment has been used.

Quite frankly, if stevedoring companies in Australia—the big two—gave their ports the same tools as ports handling bulk commodities, there is no question that productivity would increase. To hear the minister come into this place and endlessly complain and rubbish the waterfront, one could be forgiven for thinking that no change has taken place on the waterfront in years. But the fact is that few workplaces in Australia, indeed around the world, have experienced more dramatic changes over the last decade than the waterfront.

The waterfront work force in Australia has been significantly and substantially reduced—by 60 per cent in the eight years from 1989. The volume of cargo handling has increased and container lifts have also increased by around 20 per cent in the five years to 1997.

I said at the outset that productivity is determined by a number of factors, and again I urge all government members to get a copy of the 1992 committee report because all of the factors are there.

It is fashionable to give the wharfie and the MUA a bit of a clipping, but the fact is that many of the factors determining productivity are not controlled by the MUA at all. In many terminals around Australia—where too many are controlled by the two big stevedores, Patrick and P&O—the equipment used is almost 20 years out of date and there are too few cranes to dream about, let alone achieving world's best practice. I suspect, too, that many of the government members have never actually set foot on a wharf anywhere in Australia. I invite any of my colleagues opposite to come to Port Kembla any time they please. You show an interest and I will arrange a suitable tour so that the next time your minister sprouts his so-called facts you will actually know for yourselves.

The size of ships and stowage areas are limiting factors on productivity. Port economies of scale are achieved in many Asian ports because they service hundreds of millions of people. Australia's container trade services only 18 million.

The minister has a manic hatred of two unions—the MUA and the CFMEU (Mining Division). These are the two unions which the minister wants to drive out of industrial relations. Their continued existence and participation in workplaces around the country drives him spare. We on this side know that the MUA and CFMEU drive the minister crazy. The minister's all-consuming hatred of the MUA is behind the continual, mad, half-baked ideas like Dubai of stoking the fires of industrial disruption, of being up to his neck in pushing the boss to take on workers.

The minister's manic hatred of the MUA is what drives his unfavourable view of wharfies and is why he makes daily attacks on the workers, ridicules them and abuses them. The minister hates the MUA and the CFMEU because they are two very strong unions. It is that simple. He knows if he can defeat the two strong unions in Australia then he can ensure that the weaker unions are walked over

too. It all fits into the strategy of destroying Australia's industrial relations system, built up over a century.

We have heard much about the earnings of the wharfie. I know wharfies, unlike too many of those opposite, and I have seen their pay slips. The minister is great at distortions and myth-making, but he never comes in with the final prize—the proof, the paperwork. I do not believe that wharfies at Port Kembla are any different from wharfies anywhere else. I have seen the pay slips and they do not support the claims of the minister or the honourable member for Gilmore (Mrs Gash). Here she was on radio last week in the Illawarra hosting the ABC Illawarra program—why I do not know, given that she supports the savage slashing of the broadcaster.

I was listening rather intently to the whole program and then came the talkback. On the other end of the line was the wife of a wharfie. She was one angry woman. Here was a wharfie's wife arguing with the honourable member for Gilmore about how much her husband took home in pay. Needless to say, the honourable member for Gilmore quickly became the John Laws of the ABC and cut the woman off. What is so offensive about a blue-collar worker earning \$50,000 or \$70,000 a year for work that is done? Why, having worked nights, weekends and other times, is it so offensive to be paid for the work performed?

There is a contradiction in the feigned and foaming anger put on by the minister about wharfies. He constantly parades the big wage and bags them for the overtime, but he does not mention that Patrick's and P&O refuse to employ more workers—wharfies have no choice to work overtime because it is a management decision—but when the wharfies do something outrageous like place a ban on overtime the minister screams again and completely oversteps his responsibilities as a minister of the Crown, instructing Patrick's not to pay workers for work performed. There is a catch-22 situation: if wharfies work the overtime as employers demand, the minister stands up and attacks them, ridicules them and abuses them, but if they put on a ban he instructs Patrick management not to pay them

anything. So it is work and cop the ridicule and attacks, but if you place a ban on the very thing the government attacks you with you cop it again and you also get no pay into the bargain. The waterside worker just cannot win.

The waterfront is enormously complex and interlocking, with many parties using it. The media never goes into the detail of waterfront reform. They want a simple 30-second grab. I recall early this year standing on No. 6 Jetty at Port Kembla being interviewed by a journalist from one of the local TV stations. I started to explain the term 'crane lifts', that it could mean one lift or a double lift, double stacking or piling. The journalist asked his cameraman to stop recording, telling me, 'Colin, this is too difficult to understand. Keep it simple.' He was putting a story across on productivity rates on the news that night and he did not want the story—he wanted a quick 30-second grab, not the whole detail. It is the same with the radio talkback gurus. They have all the answers but have never seen a wharf—let alone the poor caller who knows substantially less.

It is time for reason and realistic negotiation involving all waterfront parties and examining and assessing each individual port's capabilities. It is only through this long-term, back-breaking process of negotiation that we will ensure an efficient waterfront and world's best practice. The real issue is whether the government and the minister have the ability to embrace this approach. The performance to date is not an encouraging indicator at all.

Frankly, this minister and this government do not want waterfront reform. They are in a manic struggle to smash the Maritime Union of Australia and they think that, by doing that, by getting rid of the wharfies, they will get world's best practice. They are deluding themselves because they are not tackling the real problems as they face the waterfront, and many of them are issues that they will just not face up to because too often it affects their mates. (*Time expired*).

**Mr HICKS** (Riverina) (3.59 p.m.)—The motion moved by the member for Port Adelaide (Mr Sawford) is an acknowledgment that the current dispute between Patrick Stevedor-

ing Company and the Maritime Union of Australia is not in the national interest. Knowing the member for Port Adelaide as I do, I know that he would want to have world's best practice on our waterfront. I suggest he perhaps talks to his leader, to his Labor Party colleagues and to friends in union movement about the fact that, if all Australians are to benefit from an efficient waterfront, the MUA's monopoly control must be removed.

The Labor Party must come to realise, and quickly, that union engineered delays, inefficiencies, excessive costs and bullyboy tactics do not adversely impact only on importers and exporters; they impact on workers and consumers generally and, equally importantly, on jobs, the Australian economy and investment opportunities.

If significant savings are to be passed on to the broader Australian community, it is imperative that waterfront workers become more productive and achieve world's best practice in the movement of containers. It is common knowledge, both nationally and internationally, that Australia's ports are notoriously inefficient and this reputation is damaging to our national interest. The member for Parkes (Mr Cobb) touched on that.

This is the core issue that the Labor Party and its union mates are failing to confront. They are unwilling to face up to the reasons why our waterfront is notoriously inefficient. They talk about the national interest, but their new-found concern for the national interest is nothing more than a camouflage for their real objective, which is to protect the interests—the rorts—of their mates in the MUA, the union of silvertails. The 4,500 MUA members employed as waterside workers receive pay and conditions which belie the lingering battlers stereotype. Their average annual wage is \$74,000, with the highest earning \$110,000 per annum for what is effectively a 30-hour week maximum.

I heard the previous speakers from the Labor Party and, like them, I believe that people who work hard should earn as much as they can and take home as much as they can, but there is one thing about Australians—and I found this when I was out in the work force—and that is that if you were

working hard and someone alongside you was not working hard, and you were both taking home the same wage, you resented it. This ought to be kept in mind.

Unfortunately, time does not permit me to go into the detail of all the rorts built into the award, but they are well documented. The silence of the Leader of the Opposition (Mr Beazley) in this dispute only serves to further highlight his leadership inadequacies. He has not had the courage to speak out in the interests of all Australians to repudiate the senseless standover tactics adopted by John Coombs and the MUA against Patrick Stevedores, a company that is working within the law and which should be allowed to get on with its business.

The Leader of the Opposition has failed to support the resolution adopted at the Labor Party National Conference which called for new stevedoring competition on the waterfront. The only conclusion you can draw from this is that he is frightened to criticise the MUA. This is further evidence—if further evidence were needed—that the Leader of the Opposition and the Labor Party are the puppets of the union movement and are especially fearful of the MUA.

The Labor Party only springs into action when the likes of John Coombs and Jennie George pull the strings and determine the course of action to be taken. It is a captive of the unions. This is not new. Over the period that I have been in the parliament, I remember things like the taxation policy of Paul Keating which, with a phone call from the ACTU, changed almost overnight.

The Labor Party is not concerned about waterfront efficiency. It has had 13 years to put genuine and lasting reforms of the waterfront in place. What did it achieve? Exactly nothing. We heard today about the inefficiencies of the system because of the cranes and other technology inefficiencies. I do not know what has been done in that 13 years. The Labor Party's idea of waterfront reform under Bob Hawke was to fork out something like \$420 million of taxpayers' money to enable workers to take redundancy payouts of hundreds of thousands of dollars each. A big

majority of those people are still working on the waterfront.

What happened about the rip-offs, rorts and unlawful industrial strikes which tear the heart out of our ports in terms of efficiency? Once again, exactly nothing. All the rorts and inefficiencies are still in existence. The Labor Party has allowed them to flourish. It has allowed the MUA to retain its monopoly of labour on the waterfront and to hold the rest of the Australian population to ransom.

For 13 years the Labor Party ignored the need for cost and productivity efficiencies, flexibility, innovation, reliability and investment on our waterfront. What did we get today? The member for Port Adelaide and his Labor colleagues called for a conference of all parties. How many conferences do we need? The one thing I would say about it, though, is that it shows that there is a need for everyone to get together to obtain world's best practice, but the way it is going on the waterfront at the moment I cannot see that happening. To use the words of Richard Prebble, the former New Zealand minister responsible for waterfront reform in that country, which has left Australia well behind in the efficiency stakes:

Port reform in New Zealand has added millions to the incomes of its farmers and exporters. It has also improved the everyday lives of ordinary New Zealanders. My advice to Australia is simple: you do not need another expert report or conference.

The Labor Party should take note that he said that we do not need another conference. What does the honourable member think another conference will achieve? Does he honestly and sincerely believe that the MUA is prepared to enter into negotiations over productivity? This is the union that has repeatedly refused to accept a crane rate of 25 movements per hour in line with world's best practice. This is the union that walks out of talks with the government simply because it is not prepared to trade off any of its rorts or its monopoly over who works on the waterfront.

The Labor Party is locked in a time warp. It is back living with the dinosaurs when it comes to tackling the hard task of reforming the waterfront and getting rid of the excessive

costs and the disastrously low levels of productivity which compare favourably only with developing Third World countries and which lag well behind our major trading partners around the globe. The challenge for the Labor Party is to support the coalition government's waterfront reform strategies aimed at increasing levels of productivity and allowing non-union labour to work on the Australian waterfront. It is too weak to accept the challenge.

The reason for the current dispute is the fact that it is impossible to work on the waterfront unless you are a member of the MUA, because the union insists that all wharfies belong to it. The MUA, in its arrogance and contempt for all other hardworking Australians, refuses to accept that the National Farmers Federation has the legal right to start a new business on the waterfront and to employ its own non-union labour.

The Labor Party shadow minister for industrial relations has even put forward the ridiculous proposition that the NFF is entitled to go into the shipping business, but not into the waterfront business. I thought we lived in a country where individuals and organisations were within their rights to develop any lawful business enterprise and were, indeed, encouraged to do so. However, the Labor Party sees it quite differently. It is saying that you can start a business—providing it is not in direct competition with the union dominated enterprise and providing you employ only members of a union. The Labor Party will support a new waterfront operation but only if the MUA continues to effectively dictate the terms and conditions under which the new operator can start.

Waterfront reform is of tremendous importance to country people, including those living in my electorate of Riverina, which is in the centre of one of Australia's biggest food bowls. The rorts and inefficiencies on the wharves impact on their export opportunities and the returns they receive on export products. This situation is the nub of the problem. The silvertails of the MUA are out on a limb in this current dispute and do not have the support of the majority of people living in the bush and the cities. I notice that a bro-

chure sent to all members of the parliament lists the people who are supporting the MUA in this action. As you go through the list, you will see those you expected to be there. There are only four farmers out of about 80 in the union movement. I would say that four out of 80 is not a very high number. Farmers know exactly what happens to them on the waterfront.

People recognise the need to break the union's control of the waterfront, to introduce greater efficiencies and productivity in order to make our exporters more competitive as they battle for export business in the global marketplace in the 1990s. Union domination of the waterfront has existed for decades, and this domination was evident during the Second World War and the Vietnam War when the actions of wharfies threatened our war effort.

With general public support for the Holt government and the Vietnam commitment, these conflicts showed up the ACTU and discredited the unions and their political allies in the Labor Party. Nothing has changed, and the actions of the Maritime Union of Australia in 1998 are also un-Australian in the extreme, in that they threaten the livelihood of all Australians who rely on growth in our export industries to boost the economy and maintain our standard of living. The people of Australia are saying enough is enough. They are saying the national interest should take precedence over the tactics of an inefficient and monopolistic union which puts itself above the law. These are the same old tactics which have given the MUA the dreadful reputation it already has in the Australian community.

The waterfront is rife with salary packages and rorts which are only dreamed about by other people in the work force. I congratulate the Minister for Workplace Relations and Small Business (Mr Reith) on his daily expose of these shocking and unrealistic rorts during question time in this House. His exposes make the community aware of these ridiculous rorts and how firmly entrenched they are on the waterfront, to the detriment of all Australians. They have been well documented in *Hansard*, so I will not repeat them.



The waterfront needs an injection of competition and the creation of a new culture that is focused on developing a reliable, efficient and tort-free workplace that will benefit all Australians—including the families and friends of those people who work on the wharves—rather than a handful of highly paid unionist elite.

**Mr ROBERT BROWN** (Charlton) (4.09 p.m.)—I join with my colleagues in support of this motion which has been moved by the member for Port Adelaide (Mr Sawford). This motion urges the House to call upon the government to ‘urgently bring together all the players on the Australian waterfront’ to bring about what are identified as desirable outcomes. So why is it that members of the government are making references to the unions and to the Labor Party’s position, in questions of this kind, as adopting bullyboy tactics?

The bullyboy tactics are not being adopted by us; they are being adopted by the government, by the Minister for Workplace Relations and Small Business (Mr Reith) and all those people with whom he conspires out in the community—all of the organisations and all of the private businesses, including overseas corporations, which operate in Australia. It is the workers and trade unions who are seeking intelligent and civilised approaches to industrial relations. We have indicated, as have they, support for negotiation, for conciliation, for arbitration, for legal agreements, for enforceable, honourable and honoured awards. It has been the minister for workplace relations who has refused the opportunity for arbitration to be brought into play. It is the minister for workplace relations, representing this Liberal coalition government, who in effect said to Patrick’s, ‘If those employees of yours on the waterfront in Melbourne, despite the fact that they are putting in a full week’s work, don’t work overtime, don’t pay them’—emphasising to them as well that that ‘Don’t pay them’ provision is a specific provision of the workplace relations legislation of this government.

How reprehensible that any government would not only make the provisions and lock them into its legislation but also serve notice

on private employers by saying: ‘Act within this legislation and if your employees won’t work overtime but otherwise put in a full week’s work then don’t pay them.’

I have no desire to see a return to the circumstances that prevailed, for example, in the 1920s or, more recently, when conflict in areas of industry like coal mining or on the wharves reached the stage that it did. We are dealing, in a sense, with the situation on the Melbourne ports at the present time. I refer in particular to the shooting of Allan Whittaker, a wharfie who in 1928, together with other waterside workers—his colleagues and comrades—were attempting to protect their employment against scabs that had been brought on to the waterfront in Melbourne. Allan Whittaker was a Gallipoli veteran. He survived the bullets of the Turks; he did not survive the bullets of the powers of the state that were brought against him and his colleagues, four of whom were injured. He died. He was there protecting his family and protecting his job. It was the following year that Norman Brown at Rothbury was shot and killed during an illegal lockout by the forces of the state as well when those coalminers on the northern field were protesting and demonstrating against scabs. They were locked out in order to starve the families and in order to force those coalminers into submission—back into the coalmines—to adopt worse conditions than they had before.

This government have put together industrial relations legislation which aims to reduce workers’ rights and conditions and assist employers to attack unions. They have conspired with private mining and stevedoring companies to develop union bashing strategies. They have allowed serving army personnel to be conscripted for training in Dubai, to act as scab workers and strike breakers on the waterfront. They have instructed stevedoring companies not to pay workers who refuse overtime but who otherwise provide a full week’s labour. They have refused to allow disputes to be arbitrated. The minister for workplace relations said to the union and to the employers, ‘Fight it out.’ They have also urged employers to take on the unions. (*Time expired*)

**Mr McARTHUR** (Corangamite) (4.14 p.m.)—Improving Australia's waterfront is in the national interest. Australia has tolerated 100 years of union waterfront monopoly and unreliability. It is interesting that the New South Wales Chamber of Commerce in December released a report prophetically entitled *Turning the tide: waterfront reform in Australia*. This report demonstrated that Australian business was losing \$1 billion every year because of our abysmal waterfront performance.

Let me refute the comments made by the member for Port Adelaide (Mr Sawford) when he talked about the negotiation process that took place under the Hawke government. What simply happened under the Hawke government and the WIRA process was that \$450 million was spent on redundancies and there were no productivity improvements, fewer people worked on the waterfront with better equipment and there was no real change in output. In reply to the comments of the honourable member for Throsby (Mr Hollis) who suggested that the productivity of the bulk grains ports were good, let me remind members of the House that the union involved in the bulk grains ports was the AWU. No wonder there has been better productivity there.

The Maritime Union of Australia's monopoly on the waterfront should be broken. The current action by the government aims to ensure that Australia's reliability, productivity and competitiveness on the waterfront are improved. If Australia does not have a reliable and competitive waterfront we will be lacking as an international trading nation. The MUA said in the publication that they circulated to all members today:

Australia is an island continent and our international trade is mainly realised by modes of seagoing transport.

How right they are. However, we must get it right. Until now the MUA and its predecessor, the Waterside Workers Federation, have abused their monopoly power on the waterfront. The MUA have made the waterfront their domain and have bred a work force which receives an average of \$74,000 but up to \$90,000 to \$120,000 per annum for a 30-

hour week, plus five weeks annual leave and 27½ per cent leave loading. Surely these conditions are out of step with the rest of the Australian work force in terms of the work done, the skills employed and the responsibility undertaken by those in this job.

Australia's stevedoring companies are not a jobs service for the MUA, which some of those opposite may have come to believe. The new Australian stevedoring companies such as Patrick's, P&O and the NFF are in the business to get a return on capital and service their ports. I remind members of the House that the increasingly competitive environment developing on Australia's waterfront will benefit the stevedoring companies and the Australian economy. A more reliable waterfront will increase trade and jobs Australia wide rather than reduce them.

However, the profits and the survival of some of our stevedoring companies are under threat. As reported in the *Financial Review* on 26 March, Patrick's chairman, Mr Chris Corrigan, who has his own money in this company, said that Lang Corporations, the owner of Patrick Stevedores, was quite close to going under. The company's stevedoring operations barely broke even last year and the company had more than \$200 million worth of debt. The union stranglehold on the waterfront is a key factor in the company's difficulties, according to Mr Corrigan. He had his own money in the operation. If Patrick's could improve the productivity of the company it could save up to \$80 million a year in operating costs. Mr Corrigan stated:

Under the current workplace arrangements with the workers the company can barely service its interest bills, let alone provide a return to shareholders.

The National Farmers Federation and their company, P&C Stevedores, have the first non-MUA work force on Australia's docks. The federation's President, Mr Don McGauchie, claims that his company can run 30 per cent cheaper than other stevedoring companies in this country. At least he is having a go and providing genuine competition.

The Reith-Howard government industrial relations legislation under section 127 of the Workplace Relations Act ensures that it will provide a more reliable waterfront. The

legislation which came into effect in January 1996 limits industrial action, requiring employees to return to work as directed by the employers. While the MUA are doing their best to circumnavigate this legislation, the changes do give the stevedoring companies some direction over their own employers. We note that the MUA are not able to run a national strike as they have historically done. The key argument is in the BIE report which stated:

The BIE acknowledged that some ship operators are prepared to pay for reliable, but said: "It is precisely in this area where ship operators perceive the largest deficit in Australia's performance relative to other countries. Indeed, 80 per cent of ship companies . . . consider that their turnaround times have improved faster overseas than in Australia in the last five years. Therefore, despite all the recent efforts to improve waterfront performance, the gap between Australian and overseas ports has widened.

*(Time expired)*

**Dr LAWRENCE** (Fremantle) (4.19 p.m.)— I am very pleased to speak in the debate on this motion today, proudly representing, as I do, the port as well as the seat of Fremantle. I have been disgusted by a lot of what I have heard from members opposite, not least from the Minister for Workplace Relations and Small Business (Mr Reith) who leads the charge. It is clear that the government's so-called 'reform agenda' for the waterfront is no such thing. It is a poorly disguised attempt to deny workers on the waterfront and the shipping industries the right to be represented by an effective and well organised union. It is also designed to distract other workers from what is happening to their own wages, conditions and rights to organise under this government's new legislation and IR policy. The government is setting up a bit of a circus on one side so that people perhaps will not look at what is happening in their own workplaces.

We have now in the minister one who is pathologically obsessed with engineering a confrontation with the Maritime Union of Australia. It is clear that his actions are not guided by a genuine desire to achieve a productive and harmonious waterfront, but instead by a malicious campaign to manufac-

ture a dispute which the government will 'win' at the expense at those that they have depicted as undeserving and greedy. It is clear that if Australia's trading reputation, the workers' and their families' needs and the companies and consumers are damaged in this process this government and the minister do not give a fig.

In the process of their hysterical attack on the maritime workers they have, first of all, already caused unnecessary unrest and disputes on the waterfront. They have deliberately engineered them. They have engaged in what can only be described as bizarre cloak and dagger ventures first in Cairns then in Dubai, using mercenaries, and now at Webb Dock with the National Farmers Federation organised by Maxwell Smart clones formerly from the minister's office, and he is at the centre of this circus.

They have been prepared to vilify and abuse hardworking men and women and their families. These are people I represent. I know that they are decent people and they have been vilified. In the process, what we have also seen is that this government and the minister have so lost their sense of humour that they do not know when their legs are being pulled. We see the minister stand up in this place and suggest that crane rates had improved because the workers in Fremantle had gone off to see a strip show. They do not even recognise Australian humour when they hear it. I think that is an extraordinary reflection on them.

They have used parliamentary privilege in this place to misrepresent the actual performance and productivity data on the waterfront. They set it aside. They ignore and misrepresent it. There have been corrections issued by the Fremantle Port Authority to some of the claims made by this minister. They are a very staid body but they felt that they had to come out and defend their own workers.

This government, of course, has deliberately ignored the very substantial and sustained reforms that have been achieved in the waterfront industries. I want to go through a couple of those. We have seen in Australia already— at least before this government came in— substantial improvement in labour produc-

tivity at container terminals. It has almost doubled. Indeed, in my own state of Western Australia the WA Department of Commerce and Trade's Internet site says that Fremantle Port Authority's ship turnaround time improved 17 per cent between 1990 and 1991, between 1994 and 1995, and the authority's costs per unit cargo were 45 per cent less. You cannot get that without an increase in productivity. Cargo handling rates generally have improved by as much as 50 per cent and there have been annual savings, estimated a couple of years ago as being at least \$300 million, from the reduced work force size and the faster turnaround of container ships. The stevedoring work force, as we have heard, since 1989 has almost halved. So there have been substantial improvements on the waterfront.

Looking at my own state in particular, just recently, at the grain handling terminal in Kwinana, a new 24 hours a day, seven days a week agreement without overtime penalty has been struck. The workers there have worked to reach world's best practice.

*Opposition members interjecting—*

**Dr LAWRENCE**—It should not be denied. You should encourage people when they are doing well, not denigrate them. Indeed, the Pastoralists and Graziers Association of Western Australia, headed currently by Mr Barry Court, have actually told the National Farmers Federation to butt out because they have very good relations with the MUA in Western Australia and they are satisfied with the current state of affairs. I would like to draw members' attention too to the P&O newsletter called *Chatter Box*, which shows figures on crane handling rates and includes many thanks from customers and shippers in the Port of Fremantle.

For instance, recently they showed that a recent voyage of the *Kasuga I*, when it visited Fremantle, experienced the same crane rate, 26.8 TEUs per hour, as it did in Singapore, even though there is only one crane available compared with Singapore's four. If you look at the turnaround time, it is very respectable indeed when you consider that there are four times as many cranes in Singapore. The number of moves they made is very

respectable. In fact, you would have to say it is world's best practice. So leave the Maritime Union alone. It is only doing its job and defending its workers. (*Time expired*)

**Mr ANDREW** (Wakefield) (4.24 p.m.)—I actually owe the member for Port Adelaide (Mr Sawford) something of an apology because, before he concluded his remarks, I had to leave to execute some of the responsibilities I have as the Chief Government Whip. I therefore did not do his speech justice, and I only came in on the tail end of the speech of the member for Fremantle (Dr Lawrence). Nonetheless, let me reassure her that the exercise of the government in pursuing reforms at Webb Dock is certainly not an exercise intended to persecute the Maritime Union; quite the contrary. There seems to be a view on that side that the government should be in some way offended by improvements in crane loading rates referred to by the member for Port Adelaide.

I am very pleased that Port Adelaide, the principal port in my own home state, has gone from, according to the member for Port Adelaide, 19 movements to 24 movements, and is improving. I welcome that. I welcome the changes that have occurred at any one of the docks around Australia that indicate improved cargo handling. What I face, as a member of the government, is the simple reality that there are in fact opportunities for even further improvement and that one organisation in Australia, namely the National Farmers Federation, has said, 'We will set up in competition.' As a member of the Australian parliament, and as an Australian taxpayer, I laud that competition.

What are the National Farmers Federation doing? Are they saying, 'We will bring in Brazilian operators in order to work them for \$3 an hour?' Not at all. The National Farmers Federation accept the pay rates and conditions applying around Australia and say, 'We will pay them.' They say, in fact, to the MUA, 'We stand here offering competition, and competition that recognises all of the existing Australian award arrangements.' I am not offended by that. The legislation that we have put in place allows a group to come in and say, 'We will offer a competitive practice.'

Why should we apologise? Why should the MUA be offended when all they have to do is match the performance of the National Farmers Federation in order to retain all of—

**Mr Sawford**—It will be very easy.

**Mr ANDREW**—Precisely; the member for Port Adelaide agrees with me. If all they have to do is match the performance of the National Farmers Federation, they will not in any way be threatened by what is currently happening, so why all of the confected theatrics?

**Mr Sawford**—No, that is coming from your side.

**Mr ANDREW**—I am saying we are standing for competition under the arrangements that have already been agreed. You, in fact, are unable or unwilling to accept competition, Australian to Australian.

**Mr Sawford**—Not true!

**Mr ANDREW**—I find this extraordinary. Take any other area of government action: I sat on that side while you in government proposed that, for example, every primary producer in Australia should face the competition of the Brazilians, the Chileans, the Argentineans, the Asians, and all of those with cut-wage markets, and I agreed. Now I propose simply that an Australian company working under Australian conditions should in fact offer competitive rates with another Australian company, and you have expressed indignation.

**Mr Sawford**—With soldiers?

**Mr ANDREW**—There is nothing wrong with what the National Farmers Federation is doing. It is nonsense for the member for Port Adelaide to suggest that the army is in some way involved, as he well knows. All that exists here is competition between two Australian companies. The opposition are not prepared to accept it because their agenda is dictated by the trade union movement. Accept the fact that this is nothing more than the same sort of competition as exists between Woolworths and Coles or any other group of companies that you care to nominate; competition that obliges every one of the employers and the employees to abide by Australian conditions.

**Mr DEPUTY SPEAKER (Mr Jenkins)**—Order! It being 4.29 p.m. the time allotted for private members business has expired. The debate is interrupted in accordance with standing order 104A. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting. The member for Wakefield will have leave to continue speaking when the debate is resumed.

### GRIEVANCE DEBATE

Question proposed:

That grievances be noted.

### Unemployment

#### Adult Migrant English Service

**Mrs CROSIO (Prospect)** (4.30 p.m.)—The Howard government's tendering process for employment services has received an enormous amount of attention over the past month, and rightfully so. The picture that is forming in the offices of opposition members and also in the offices of government members I would imagine, particularly if they would like to be truthful about it, is that this ill-conceived reform will result in many unemployed people having their job prospects severely handicapped. Day after day we hear cases of successful employment agencies having lost out to groups with no links or knowledge of the communities they are expected to serve and no understanding of the individual problems faced by the unemployed people they are there to assist.

As hundreds of community based employment agencies close or deploy their staff elsewhere, thousands of unemployed Australians are filled with apprehension and confusion as they face losing contact with their regular case managers. Many are prepared to spend hours travelling on the train or bus simply to receive the help and the individual assistance they need from their regular job trainers. Unemployed people are seeking approval from Centrelink to go ahead with these arrangements, but Centrelink staff are as much in the dark about what is going on as everybody else.

Meanwhile, those private organisations which are successful in tendering for employment service contracts are laughing at the

Minister for Employment, Education, Training and Youth Affairs (Dr Kemp) for asking them to assist unemployed people not on social security benefits into work. Considering these businesses only get paid for finding jobs for clients who are receiving social security payments, their mirth is understandable. These companies are not charities. They are incredulous that the minister is suggesting that they become one. It shows both an incredible naivete on his part and I believe is a tacit admission that he recognises the failure of his own system even before it has got off the ground. The minister has made his bed; he must either lie in it or make some immediate changes to it.

The Prime Minister (Mr Howard) and Minister Kemp, along with the various pundits who support this policy's implementation, say we must give it time to work. They say it is a revolutionary system that must be allowed a few kinks at the beginning before it bears fruit. Just how long do they expect that to take may we ask? Who will be the ones suffering while those teething problems are sorted out? It is the unemployed who will suffer, that is who. As unemployed people lose their case managers and are assigned new ones unaware of their particular problems or difficulties, the disruption that will follow will undoubtedly handicap their attempts to find work.

Unemployed people do not have the luxury of waiting while the Prime Minister sits, fingers crossed behind his back, hoping for these problems to work themselves out. As each day passes, job prospects become slimmer and feelings of self-respect decline. The system that the Howard government inherited was, on the whole, if they would admit it, working well. It was them ripping out over \$2 billion of that system as a government when they came to power that has caused the problems. As I have said in this House on a number of occasions, assisting the unemployed is costly but not assisting them is more so. There is no cheap way to go about reducing unemployment. The privatisation of employment services by the Howard government is an attempt to get people into jobs on the cheap and it will not work. I say with no

satisfaction at all that, come 1 May, the chaos that presently reigns in this sector will intensify.

Another privatisation reform that will prove equally as damaging, especially in areas like mine, but which has received less publicity relates to the adult migrant English program. It is a policy that will have serious consequences not only on my community's large migrant population but also on our efforts to reduce unemployment. In New South Wales the Howard government divided the provision of the adult migrant English program, or AMEP, into five geographical regions, each of which had to be separately tendered for.

The Adult Migrant English Service, or AMES—a public education institution that has provided English as a second language course for migrants and refugees across New South Wales, and especially in south-western Sydney, for over 50 years—was granted preferred provider status in only two of the five regions. The other three went to a private consortium headed by the Australian Centre for Languages. Of the two regions AMES was successful in tendering, neither are considered areas featuring large ethnic populations. Come 1 July, AMES will no longer have a presence in south-western Sydney.

The Adult Migrant English Service now stands to lose over 500 of its 600 teachers in New South Wales, teachers who, like the many employment professionals losing their jobs as a result of the job compact tendering process, will take with them a wealth of expertise and experience that communities like mine can ill afford to lose. The Australian Centre for Languages, while a reputable company, I am sure, has no experience in providing English as a second language course for poorly educated migrants or humanitarian refugees. Its background is teaching English to business people, to highly skilled and educated migrants and students.

There is an enormous gulf in the approach needed to teach English to those two distinct groups of people. They have different needs. They often have vastly different aptitudes and learning abilities. AMES understands these differences. It needs to be questioned whether

ACL is equipped to deal with any of them. The Adult Migrant English Service wrote the book on teaching English as a second language to migrants—literally. It was part of the guidelines governing the tendering process in that those submitting proposals agreed to use the teaching methods that had been developed and implemented so successfully by the Adult Migrant English Service in the past.

Yet the government does not give a second thought to getting rid of AMES from some of the communities that need it most. For a community like mine where unemployment is almost twice the national average, a problem that is made more acute by a large population of migrants from non-English speaking backgrounds, the assistance AMES has provided has been invaluable. Close to 100,000 migrants in the south-western Sydney region have benefited from AMES's English tuition and settlement services. Losing that assistance will place another obstacle in the way of local migrants and refugees attempting to find employment. The longer they remain unemployed the longer it will take before they can make a contribution to our community. Not one extra migrant or refugee will be eligible for English language tuition through privatisation. Not one extra hour of English will be available for eligible migrants and refugees through privatisation.

The citizens of Prospect and south-western Sydney are livid about the attitude and actions of this government. It has come into our communities and has created confusion and upheaval where there was once order and security. And for what? That is the question I ask the government. For savings that will be lost tenfold as the long-term unemployed stagnate on the job queues desperate for the assistance that the new system cannot provide? For efficiency and better service? That is a cruel and bitter joke.

These policies are ripping communities like mine apart. I know they are having a similar effect in some electorates represented by government members. I say to those government members that they have a duty, both to themselves and to the people they purport to represent, to make these problems known to their senior colleagues so that we can try to

bring back some semblance of order and sanity to our communities. The longer this insanity reigns the longer it will take to put these dislocated and shell-shocked communities back together.

I feel very strongly about this. I have people continually coming to me saying that now they are eligible to learn English they have been told that the services which were going to be provided from 1 July will no longer be there. Where do they go and what do they do? I do not believe the government has the answers. All it is doing is providing them with uncertainty. Yet at the same time it is saying to them, 'We expect you to contribute to your community at large. You must learn, have a command of, the basic English language.'

I have in my community people who have not even been taught to read and write in their own language. The difference we can make is in the provision of services, the teaching of conversational English and work English. Through the Adult Migrant Education Service we have provided trained teachers who have been teaching migrants who have fled as refugees to this country of Australia. We have welcomed them here, sheltered them and given them assistance. The government is now saying that it is no longer going to allow you access to the experts who are especially trained in that field to teach you working English. We cannot expect contributions from people making Australia their second home when they do not have a command of English, our language in this country.

I believe this is going to be one of the greatest disasters for migrants who have come to this country as refugees under special humanitarian programs. They have had to flee their homelands, standing at most times in only the clothes they had on their back and have been assisted in this country—and rightfully so. At the same time, the government is saying to them, 'You will not be able to make a contribution because we believe that those who have been teaching you for the last 50 years are not good enough now to provide English as a second language tutoring to you.' I believe that the Howard government

and those who purport to represent it will go down in shame when this filters through to their communities. (*Time expired*)

#### Australian Society

**Dr NELSON** (Bradfield) (4.40 p.m.)—Something obvious keeps eluding us as a society. My local paper, the *North Shore Times*, is currently carrying a debate about the belief in God and what spirituality and connectedness to one another might actually mean. It seemed rather ironic that this was occurring at a time when we had American computer billionaire Bill Gates telling us effectively that our lives would be empty unless we were all connected to the computer.

Nations, like people, face moments of truth. They are basically periods of our development and history that challenge our survival and redefine our values. Our country, Australia, in every sense now faces its own moment of truth—economically, socially and culturally. Last year one of my constituents, a fellow called Norman Lewis, sent me a book by Bernhard Philberth entitled *Revelation*, a passage of which reads:

Progress leads to chaos if not anchored in tradition. Tradition becomes rigid if it does not prepare the way for progress. But a perverted traditionalism and a misguided progressivism propel each other towards a deadly excess, hardly leaving any ground between them.

We are living in a society that is failing, and seriously so—evidence of which is that we have a preoccupation with death in the form of at least one young suicide a day. So despairing are they of the future they see ahead that another 50 young people are trying—a 300 per cent increase for young men in the space of two generations. It is a sad indictment on society that, whilst we have reduced the toll that has been taken by disease and accident, we have had absolutely no impact on that exacted by despair.

We also have a debate about euthanasia, whatever one's attitude to that. But the subliminal message to young people in particular is that death is a legitimate solution to what we think are insurmountable problems. But there comes a time when with certainty it may be said that there is no longer hope and life is no longer of any value. We have an unre-

cedented level of drug use in Australia both legal and illegal; gambling has been elevated to the status of religion in some parts of the country; we as a nation have been engaged in what has been described as a race debate; we also have a disappearing middle class, with two million Australians living in households earning less than \$20,000 a year. Whilst we are not alone in this regard, all of those things historically are associated with societies that are failing.

Last year I had the pleasure to launch, on behalf of the government, a report conducted for it by Keys Young. It was a survey of 1,200 young people aged from 14 to 24 years. One 16-year-old respondent said, 'Teenage is suicide, isn't it?' Young people saw throughout the survey depression, despair and anxiety as being normal parts of adolescence. Seven per cent had attempted suicide at some time in their young lives. Richard Eckersley, who has done much of the work for CSIRO on the future, found in his research that the 21st century will be a better place, but that is seen as a minority position amongst young people. In fact, at the moment three per cent of Australians under the age of 18 at any one time are suffering from serious depression.

In the BBC television series *Civilisation*, historian Kenneth Clark asserted that no matter how complex it may be civilisation is fragile. He warned:

It is lack of confidence more than anything else that kills a civilisation. We can destroy ourselves by cynicism and disillusionment just as effectively as by bombs.

When he was President of the United States of America, John F. Kennedy nominated the real struggles for his generation as being against tyranny, poverty, disease and war. You have to ask young Australians today what is it that they understand as being the real struggles for our generation? In his weekly column in the *Australian* newspaper last year in February, Hugh Mackay invited his readers to consider who in modern Australia in the 90s are our heroes. I must say that when you meet groups of young people these days and if you work with them they struggle to answer that question. Earlier generations did not have quite that difficulty.



Yet young people are in fact facing the reality that life will cruelly short-change them. It is young people, as Richard Eckersley has observed, who are paying the price of our progress. In fact, at the moment, as we end the 21st century, gross domestic product per head of population is four times higher than when this country was federated, yet you have to ask yourself: are Australians any happier today than they were a century ago?

In many ways, the problem is that, for the first time in many generations in Australia, young people face a future in which they will not enjoy a higher standard of living than that which their parents have had. In fact, many of them know that they will struggle to achieve the standard of living their parents have, let alone exceed it. Yet they still remain tethered to a value system that says that success is a mobile phone, fashionable clothing, a very high TER and, perhaps, a BMW, a nice car. The price of our shallowness in many ways is being paid by our children.

The problem, it seems to me, is not that young people have not learned our values, it is that they have. Far more important than connecting our children to the Internet is connecting them to one another. Australia really needs strategic vision, for young people especially. We need a comprehensive sense of who we are, how we relate to one another, what kind of country we want to become, what are the principles and values upon which it will be based and what is the strategic framework within which we intend to arrive there.

One of the reasons why I went into politics is to achieve a national agenda for young people. I believe that Australia needs a set of priorities for its country and, in particular, the aspirations and needs of young people. The problem that many young people face today is that they no longer believe in the system. They are living and working within a system to which they are no longer committed. They feel that in no way are they a part of the decisions that are being made about their lives. They see governments and other institutions making decisions in education, in drugs, in employment and in a range of areas that

are critical to their future, and they are in no way a part of the decision making process.

I would like to put on the public record my very strong advocacy for a national office for young people, that it be attached to the Department of the Prime Minister and Cabinet and, preferably, that there be a junior minister working within, if not very close to, the office of the Prime Minister itself. The role that such an office would take would be one of advocacy for the needs and aspirations of young people. It would play a role in coordinating programs that are intended for young people and are important to them. It would also be asked to examine, as far as practicable, intergenerational activities because I believe that at the extremes of life, for older people and also for those who are young, there are mutual problems, and therein the solutions can be found with mutual veneration and respect. Wherever possible, it would be trying to implement and undertake programs that address the needs of both groups.

I believe that such an office could also play a role in putting legislation up to an impact assessment for the impact it would have on young people. Its most important role would perhaps be in canvassing young Australians right through from the marginalised, drug dependent, homeless young person to the other end of spectrum, to the private school prefect kind of young person, for their views and ideas. But, most importantly, its role would be to keep the priorities of young people before the most senior level of government.

Some members may look upon this with a degree of cynicism but, if you are 16 or 17 today, you have to ask yourself: who is representing me? How do I have my voice heard in this country? Is there any tangible evidence that there is a process which enables me, my feelings and my ideas, if not my anger and resentment, to be heard? The Office of the Status of Women has achieved a great deal for women over the years. At times it has been hijacked by radical elements, but I believe that Australia is a better place for its existence. So too is there a place for an office for young people.

Teenage is not about suicide; it is about the strength we derive from our idealism and the power of hope. It is believing that you can make a difference to the world in which you live and that you also live in a society that will nurture and protect your idealism. I believe that a national office for young people, attached to the highest office in the land, would go a long way to giving young Australians a hope and re-identifying what the real struggles for its generation and our country are and are likely to be.

### **Taxation**

#### **Workskil Inc.**

#### **Unemployed**

**Mr MARTIN FERGUSON** (Batman) (4.50 p.m.)—Mr Deputy Speaker, as you are aware, there has been some debate in the community about tax avoidance. I know that this is not a debate that the government wants raging in the community, especially when you consider that the current Prime Minister (Mr Howard) is well known from his previous experience as Treasurer for running dead on the issue of tax avoidance, and I need only refer in passing to his lack of action on the bottom-of-the-harbour scam and the huge leakage that caused in the Australian taxation system. The capacity for us, for example, to do something about young people, as the previous speaker, the member for Bradfield (Dr Nelson), spoke about, requires leadership, commitment and a willingness to make the hard decisions, including cracking down on tax avoidance.

I also know in that context that there are major problems in this government's facing up to the question of tax avoidance when you consider that not only a significant number of its backbenchers but also, and perhaps more importantly, a very significant number of its frontbenchers engage in tax avoidance via family trusts. I note that the member for Bradfield is scurrying from the House when we raise these very sensitive issues.

It is something many in the community abhor—and I understand the sensitivities on the other side of the House, especially from the member for Gilmore (Mrs Gash)—when we talk about the ability of people at the top

of the salary tree to manipulate their packages for personal maximum gain. That is what this current government wants to do. It is unwilling to take action from the top of the government down through the cabinet processes on the issue of tax avoidance, the need to come to terms with the leakage from the Australian tax system, the ability to collect the revenue which enables us to put in place decent government services that currently arises out of the nature of family trusts and the tax avoidance permitted by them in the community at the moment.

On that note, I want to go to a non-profit company which, I believe, by its very ethos should be committed to the community. If anything, it should be very wary of misusing our laws to get the best for the management of the non-profit sector. I suppose also that such a non-profit company—which has as its primary goal to supposedly help the unemployed—should be even more wary of creating salary packages which advantage the haves, not the have-nots.

In passing, I should say that I give a lot of credit to people involved in trying to get Australia's unemployed back to work—be it in the public sector, in the community sector, in companies such as Skillshare all around Australia, in the organisations put in place by the church groups and, I might also say, in a variety of very decent small businesses all around Australia which basically take the view that getting Australia's unemployed back to work is not a job and it is not about profits; it is a very personal commitment and they are not in it for personal gain.

It is at this point that I would like to come to an Adelaide job employment agency which was a very big winner in the privatisation of the employment market by the Minister for Employment, Education, Training and Youth Affairs (Dr Kemp). I am referring to an agency which won a contract worth potentially between \$6 million and \$10 million—not a mickey mouse company when it comes to being looked after by the minister for employment, but a major contract winner in South Australia.

I refer to Workskil Inc., which won tenders for FLEX 1, FLEX 2, FLEX 3 and ELTSS.

If anything, they won more tenders than any other organisation in Adelaide. They won more tender categories than Employment National in Adelaide, which only picked up FLEX 1, FLEX 3 and ELTSS. They won more categories than Drake, which won FLEX 1 and FLEX 3. They won more categories than Mission Australia, which got a NIES contract only—that is about the small business opportunities that we have sought to create for the unemployed. They even won more categories than the Salvation Army, which won FLEX 1 and FLEX 3. In essence, none of the big four—and that is what they are, the big four: Employment National, Drake, Mission Australia and the Salvation Army—beat Workskil Inc. in Adelaide.

How could you contend with a company which was selected by this government, presents dud cheques, does not pay its wages on time and now I find is potentially involved in tax minimisation? I suppose that is the type of company that this government likes to be associated with. You also expect that from a government that is not prepared to make the hard decisions and really pursue the difficult tax debate. That goes back to the Prime Minister's previous record of running dead on cracking down on tax cheats and the issue of the way in which tax minimisation through bottom-of-the-harbour schemes flourished when he was last the Treasurer.

I would like to come back to the issue of salaries paid to people who head up non-profit organisations and the ethical pressures which should be on these people. In parliament last week, I referred to the last annual general meeting of Workskil Inc. held last September. In actual fact, in question time last week, I sought to have those minutes tabled as a statement of their authenticity but, for some strange reason, the government refused to give me permission to table them. I want to take the House to those minutes of the annual general meeting of Workskil held last September in Adelaide. I note from those minutes that some concern was expressed at the salary package of the general manager and why his package was bigger than that of the Marion City Council's chief executive officer.

But of extreme concern is the fact that the generous nature of these packages allows for conversions of up to 40 per cent of salary into non-taxable allowances, such as helping to pay off a mortgage or a credit facility. Workskil Inc. is making full use of its charity status as a public benevolent institution to get into place questionable tax avoidance schemes. I regard those schemes as a disgrace from an organisation that ought to be prepared to pull its weight when it comes to the community being prepared to invest in getting Australia's unemployed back to work through paying its fair share of the tax that is required to keep those opportunities in place.

Many of the general staff at Workskil Inc. are on packages which allow the conversion of salary into non-taxable allowances. In January 1997 the company decided to run a lottery to inject cash into the organisation. They might say, in some ways, that that decision was hoisted on them because of the fact that, in the 1996 period following the election of this government, they actually withdrew opportunities from Skillshare organisations around Australia to assist the unemployed and they created a very difficult situation for a number of those employment companies.

Having raised the question of the lottery, I am pleased to say today that this is not that famous BMW lottery I referred the House to last week. Now, this is a lottery which has as its first prize Grange Hermitage wine. A deal was done between the general manager and some staff, whereby he would allow them to convert salary to allowance if they agreed to purchase an amount of lottery tickets with a percentage of the converted benefits. So, in one case, the tax avoidance racket using these allowances increased the person's take-home pay by about \$400, but that person had to agree to spend half of that increase on buying lottery tickets from their next pay. The carrot and stick approach, I suppose—'We will permit, encourage and really put in place tax avoidance provided you also participate in our lottery.' The profits from the Grange Hermitage lottery were to pay off creditors.

I am most concerned about the issue I raise today because I am talking about a company

that is one of the real winners in the minister for employment's privatisation and tendering decisions associated with the delivery of employment services in the future. I am talking about a company that has a tender of \$6 million to \$10 million and is held up by the minister for employment as being a prime example of the way forward in trying to assist Australia's unemployed back to work.

Not only is that company involved in tax minimisation and potentially tax avoidance; that same company last year could not pay its telephone and electricity accounts and also it is now subject to investigation because of its failure to provide adequate facilities to assist workers with a disability. I refer to the fact that, following questions raised by me, the Disability Action Inc. is now investigating whether or not the lack of facilities is illegal and whether or not it should be requiring the government to do something to ensure that this major winner in the tender process is actually required to look after all the unemployed in that region, including workers with a disability, rather than inconvenience them. I would have thought these were the types of issues that this government should have been concerned about. We should be selecting companies that are up there amongst the best Australian companies—not companies with questionable records. (*Time expired*)

### **Waterfront**

#### **Dental Health**

**Mrs GASH** (Gilmore) (5.00 p.m.)—Before I commence, I would like to congratulate the honourable member for Throsby (Mr Hollis) for his comments complimenting me on being the John Laws of ABC radio. I graciously accept his comments; however, I would like to clarify a statement that he made about my hanging up on a certain lady during the ABC program. He was actually contemplating whether the lady was giving untruths. In fact, she was; she was saying that the waterfront workers were receiving \$29,000 per year. I would like to correct the honourable member for Throsby. The unions themselves gave us the figures of \$70,000 to \$90,000 per year. Once I fronted the lady with it, she decided

to hang up on me. That is the story of that ABC radio interview.

However, I rise today to speak on behalf of the many residents of Gilmore about an issue that is striking at the very heart of the dignity of our residents, and that is their dental health. For many people, dental matters are little more than a technical hiccup in their daily affairs. You may suffer the occasional mouth ulcer, cavity or minor discomfort of having your six-monthly check-up. But for many residents, particularly the elderly and those on lower incomes, dental health is more than just making sure that you clean your pearly whites twice a day. It is essential to eating and gaining vital sustenance for the day, it is essential for communication, and it is vital to maintaining dignity. Imagine that you are elderly and struggling to maintain your independence and you find that, because of a relatively minor dental infection, you are unable to eat, drink, talk or laugh without embarrassment, pain or suffering, either physical or social.

Five years ago, prior to the introduction of the Commonwealth dental health program, the states spent a combined total of \$160 million on dental health throughout Australia. The net result of this was that those on low incomes, such as pensioners and others on welfare support, who could not afford to pay up-front fees for private dentists were waiting up to five years for appointments to fix general dental problems such as fillings and dentures—a five-year waiting list for basic dental health for many Gilmore residents in 1992 under the previous government! The Australian Institute of Health and Welfare concluded that low income earners were relying on irregular access to emergency dental treatment in both the public and private sectors and were having nearly twice as many teeth extracted as the wider community as a result of such poor access to basic dental treatment.

I need to make one thing very clear at this point: all research done on dental health throughout Australia points to the fact that low income earners do not have any more dental hygiene problems than the wider community. However, without immediate attention to smaller problems such as fillings

or minor tooth decay, these problems become more widespread and more intrusive, and therefore more intensive work is required. The Australian Institute of Health and Welfare also noted that, as waiting lists for non-emergency treatments extend beyond two years, the following occurs: the person's condition deteriorates further; the person suffers repeated pain and emergency treatment while waiting for basic treatment; and final treatment for what was originally a minor problem is more complex and costly than the original problem demanded. On top of this is the fact that the outcomes are generally less satisfactory than for early treatment of a minor problem. That is totally unacceptable.

In 1992 the previous federal government, finally recognising that a five-year waiting list was unacceptable and that it was time to do something about helping the many people who were disadvantaged by not being able to access services, introduced a Commonwealth dental health program which was a four-year program designed to improve access to health not only for disadvantaged people but also for those on low incomes. It was established as an interim measure only and targeted treatment for only 1.5 million people. That target was met within the first three years of the program.

At its peak, the immediate effects of this were to inject an extra \$100 million or 40 per cent into the Australian dental health budget. But, more importantly, the increased funding had an immediate social effect: additional health care card holders received publicly funded basic dental health care, with the initial emphasis still on emergency treatment, extending to general dental care in 1993. The increased funding encouraged more people to seek treatment for dental problems and, despite this increase in people seeking assistance, waiting lists decreased on average to about six months. Meanwhile, the number of health care card holders seeking emergency treatment did not decrease, which may be attributed to the huge backlog of cases prior to the introduction of the program.

This program was supposed to run for only four years, and it was successful. However, due to the \$10 billion budget deficit and the

\$96 billion international debt left by the previous government, it was considered fiscally impossible to maintain Commonwealth funding beyond those three years for this program—a decision I did not support, specifically for those in my electorate of Gilmore, despite the fact that the program had already met its original target of 1.5 million patients.

If you look at the figures, it is easy to see the impact made by the extra Commonwealth funding on the lives of average Australians. When the Commonwealth dental health program was stopped in 1996 instead of 1997, as planned by the previous government, there were 380,000 health care card holders on public dental waiting lists across Australia. As I stated earlier, this represented, on average, a six-month waiting list for non-emergency treatment. With the loss of the Commonwealth funding, the states were still left with their existing responsibility for people on waiting lists. The state dental service estimated that these 380,000 people immediately faced a wait of about a year instead of six months—a responsibility that the state and territory governments should have taken up but did not. Why not? They knew the funding was going to end, and they knew that, once again, they would have to fulfil their obligations to this state government service.

Furthermore, in the 18 months that followed, the success of the introduction of the program to encourage people to seek treatment resulted in health care card holders continuing to seek treatment, as is appropriate; therefore, waiting lists blew out to half a million people. Again, waiting times ranged from eight months to five years. However, it is important to note at this stage that emergency patients are still being treated immediately.

I would like to give an example of the experience of just one person in the electorate of Gilmore who is on a waiting list for dental care. In doing so, it will give you a human face for the statistics. I have been approached and petitioned by many individuals and community and health organisations with their own stories to tell about the impact of the removal of this funding which remains the

total responsibility of the state yet is totally ignored by them.

A Sanctuary Point woman was diagnosed with having severe gum diseases which will eventually result the need for all her teeth to be extracted and replaced with dentures. With funding available only for emergency treatment, this elderly lady now faces the tragedy, humiliation and pain of waiting for each of her teeth to rot to the point where it gives her such discomfort that she has to have it removed under emergency treatment. She must have one tooth extracted, wait until the next one keeps her awake at night with severe pain and then go through the whole dental procedure of extraction, and so on.

These stories come into my office each week. They are not only stories of pain; they are tales of human misery as the elderly and not so elderly hide their smiles, refuse to eat in public and resort to mumbling through closed lips. This is not just a pain issue; it is an issue that impacts on a person's quality of life. I am distressed that such funding has not been continued by the state. I know that it would also have been axed by the previous federal government, had they retained power.

These are not residents who ask for a lot in terms of their standard of living, but they do expect to be treated, quickly relieved of pain and be able to use their teeth and dentures effectively. This can only be done if further funding is injected into the system by the states so as to reduce waiting lists, which will further decrease the pain level for the Gilmore residents.

I am delighted to announce that extra funding was allocated for dental health—not by the state, but by this federal government—through the mobile dental health van in St Georges Basin. It began on a part-time basis late last year and is staffed by the Illawarra area health service. This boost will service the very great needs of many local people, particularly the elderly who live in the area.

I understand that the Minister for Health and Family Services (Dr Wooldridge) may be prepared to look at a submission for a national internship program for dentists in partnership with the Department of Employment, Education, Training and Youth Affairs. At

present there are no internships: dentists complete a degree and then take up a practice. We need a program—including, perhaps, a one-year internship supported by the Australian Dental Association—which would allow dental graduates to work supervised for one year in rural and regional as well as metropolitan areas of Australia. This would help relieve the situation with extended waiting lists by putting more resources into public dental health prior to the dental graduates starting their own private practices if they so choose.

While Gilmore residents understand the Commonwealth dental health program was only a temporary measure by both this government and the former one, we are now fighting a losing battle to obtain appropriate treatment and subsequent improvements in quality of life for our elderly and low income residents.

The removal of the federal funding for this program was an incentive for state and territory governments to provide for their own obligations to assist in the care of our elderly and others who are disadvantaged. In New South Wales this has not happened, and the residents of Gilmore are suffering. Another example of this is the very generous offer of an extra \$2.9 billion—an increase of 11 per cent over five years—which the federal government recently offered the states as part of the new five-year Medicare agreement. (*Time expired*)

#### **Abortion**

#### **Family Court**

#### **Aged Care**

#### **Taxation**

**Mr CAMPBELL** (Kalgoorlie) (5.10 p.m.)—The grievance debate gives an all too infrequent opportunity for members to raise matters of concern. Today I wish to touch on four points, if I have the time.

In Western Australia there is an enormous amount of concern about the abortion issue. It is consuming a lot of the time of the parliament and of the media. For many years, case law in Western Australia has accepted a much broader definition of the grounds for abortion

than was recognised by statute law. It was, in my opinion, totally inappropriate and absolutely unwarranted for the Director of Public Prosecutions to lay charges against two doctors on the grounds that they were breaking the law. He must have known the circumstances that existed and he must have known that his actions would precipitate enormous division in the community. It is not good enough for the DPP to hide behind the fiction that he had to uphold the law. He alone is responsible for the cost, confusion, hate and fear injected into the community.

While on the subject of law, I want to say something about the Family Court and the Child Support Agency. These are the cause of a lot of anger and sorrow in my electorate and, indeed, across Australia. There is no doubt that this piece of legislation is making second-class citizens out of second wives and children of second marriages. A lot of the problem is in the legislation, but its interpretation is also to blame. While there is no doubt that non-custodial parents—usually the father—get shafted, there are areas where women are treated very badly, for example, businesswomen.

I am aware of a case where a woman took the money into the marriage. Her husband ended up with the money and she got the children. This was nine years ago. Nine years later, the Director of Public Prosecutions is allowing the woman to be prosecuted for perjury. What a nonsense this is! Everybody lies in the Family Court. This woman has transcripts, documents and court records that show her husband and others lied under oath. The DPP knows this, but no effort is made to prosecute them.

The Director of Public Prosecutions uses perjury more than any other jurisdiction in Australia, yet is very selective about who is prosecuted. For example, there has never been any attempt to charge Sergeant Lewendowski for perjury when the DPP knows that, on three occasions during the Mickelberg trial, he stated that his notes were written at the time. It is now beyond doubt that they were not a sequential record, but a reconstructed record. Mr McKechnie knows this because he was

standing alongside the sergeant when he lied in the court.

Another matter of concern in this case is the action of the police in taking the woman into custody when her house was ransacked by her husband's lawyer under an Anton Pillar order. The documents taken were never returned to her. Copies were never provided, nor was a list of the documents taken, quite contrary to the law. During the first trial, the Family Court judge spoke to this woman in terms that certainly were unprofessional and, in my view, showed clear bias. But, when the transcript was sought, it was conveniently covered by the term 'the tape malfunctioned'. I believe it is clear this was done to protect Judge Anderson.

After nine years of hell and harassment, including being beaten up, this woman's health has been ruined, she has been brought to the edge of penury and she has seen the health and sanity of her children threatened, yet public money is still being used to pursue her—not, I suspect, for her sins, real or imagined, but because her case illustrates a web of corruption that is best hidden by getting a conviction to destroy her credibility. This must not be allowed to happen.

**Mr Brereton**—Mr Deputy Speaker, on a point of order, I am loath to interrupt the member, but I draw your attention to a reflection on a named judge of the Family Court, and ask you to consider whether that is in order with the forms of the House.

**Mr SPEAKER**—I was listening very carefully to the member for Kalgoorlie. Standing order 75 makes reference to the use of offensive words against the judiciary. I listened very carefully. I could not note any offensive words, however. The member for Kingsford-Smith has raised that issue, but I do not find a point of order at this time.

**Mr CAMPBELL**—Thank you, Mr Deputy Speaker. I thank the member for Kingsford-Smith for his pretentious interruption. I had finished dealing with that issue anyway. I want to talk about aged care. I did not get a chance to participate in the debate, which was unfortunate because I thought there was a lot of hyperbole on both sides. Milan Votrubec is a friend of mine who has been involved in

aged care for many years and runs a very good establishment in Sydney. I put a lot of store by the advice that he gives me in this regard.

There are 75,000 aged care beds and about as many again in the category of hostel accommodation. It is costing \$2.2 billion to run this program. In the enormous bureaucracy which the Commonwealth has set up there are over 120 assessment teams. That would be costing well in excess of \$150 million a year. No-one knows the exact figure. I have asked the minister. I have had a question on notice for some time but he has so far not given me an answer. Conservatively, it is \$150 million a year of recurrent cost attributed to aged care for work that used to be done free by the GP. I am sure there were some cases where the GP's decision was inappropriate or perhaps one to provide comfort for the family, but the work of GPs certainly did not add up to that much. I see this is an example of enormous waste of taxpayers' money which has led to the blow-out in the costs of aged care.

My friend Mr Votrubic reckons that if you had a system, as used to exist, where the matron at the hospital simply wrote to the department at the end of each month with the names of the people that she had in her care and the money was paid direct to her, coupled with the pension payment it would entirely fund aged care and leave enough for the additional places which must be built—we are going to have to find about 1,500 places each year with the ageing population. I believe that with that situation we could get back to caring accommodation for people.

In this industry we are also beset with things like unfair dismissal. I have spoken to matrons who have told me that when they have staff who they believe have acted inappropriately towards old people it has been very difficult to dismiss them. The result of that is reducing morale, additional cost and loss of status for the matron. I believe that this really has to be looked at in its whole context. It is no good looking at these things in isolation. I also believe that there is a responsibility on people to have some regard for the welfare of their aged ones.

I have deduced from talking to people in the industry that where we allow for a set amount—as at the moment—to be given direct to the patient that money is often taken by the family and nothing is given in return for it—the money is basically stolen. Of course, this should be addressed. And it could be addressed by making most of it payable direct to the nursing home involved.

I do not think there is any problem in having scrutiny of nursing homes. For instance, nursing homes are scrutinised by special legislation with respect to their standards. With other people it is done by local government, and I believe that local government is the appropriate body to do this. If we were to go down this road I think we could give—and we obviously have to consider this—a better service to aged people, a more available service, at a cheaper cost. The situation in Australia is that we now have about four people getting all forms of pensions or help from the government to about 5.2 people earning all the money to pay it. As those figures get closer, there is going to be more and more pressure to cut down the services we provide. The compact with the people of Australia is going to be destroyed by this means.

I wanted to address taxation but, thanks to the member for Kingsford-Smith, I now will not have the time. But it is quite clear that the government does not want a review of the taxation system; the government wants a GST. The government is right when it says that the base of taxation must be broadened, but there are other ways to do it. Getting foreign companies, large corporations, to pay tax is one way, but getting people back to work, reducing unemployment, is another way in which we can broaden the taxation base. It is probably a very easy way if the government would only adopt a rational, reasonable industry policy. The Labor Party talked about it and they never had one, but unless you get people involved again in manufacturing in this country there will be no jobs in the future. (*Time expired*)

#### Health Care

**Mrs JOHNSTON** (Canning) (5.20 p.m.)—  
When listing the top 40 problems surveyed



for 1997 nationally, the Clemanger report entitled *The Silent Majority III* subtitled *The Everyday Problem of the Average Australian*, places them as follows:

. . . private health insurance costly, 5th out of 40, health insurance not covering gap, 13th out of 40, closure of hospitals and lack of beds, 26th out of 40.

When comparing the top 40 problems then and now—that is, in 1977, 1987 and 1997—we find that for 1997 ‘private health insurance costly/little benefit’ comes in at third spot, with 69 per cent of the people surveyed being very concerned; ‘health insurance not covering the gap’ is in ninth place, showing 64 per cent of the people being very concerned; and ‘closure of hospitals and lack of beds’ follows closely behind, with 54 per cent of the people expressing strong concern.

I mention those statistics because they verify what many of us in this place hear every day from our constituents. I recall my nursing days in the 1960s before the introduction of Medibank, which was later to become Medicare. At that time, Australia had a reputation as having the best health care system in the world, a system where those who were unable to provide for themselves financially received excellent care when they needed it, and a system where there were no queues for hospital beds in public hospitals. Yet, having said that, let us never forget or lose sight of the fact that Australia still has one of the best health care systems in the world.

One reads a lot in the press about where the fault lies for the current situation in our health care system. There is no doubt that much of that blame has to be fairly placed in the hands of the previous Labor government and now opposition. In 1983, private health insurance was taken out by 65 per cent of Australians. Families, the young and the aged all saw the importance of insuring for their health. But this fell by more than 30 per cent during Labor’s years of government. Indeed, one could argue strongly that Labor tried very hard to discourage people from taking out private health insurance.

In 1982-83, the cost for health was \$220 per capita. In 1997, this had risen to \$1,150.

In 1983, the cost of private health insurance was \$515 for a family. Today it is \$2,500. Labor abolished the rebate for private health insurance in 1983. They added some \$850 million a year in costs onto the health funds, including the abolition of the \$100 million a year reinsurance pool. Then, just to top things off, the Lawrence legislation pitted doctors and funds in a bitter battle over so-called managed care.

Prior to the 1996 federal election, the Australian people were told by Labor that the government’s budget was in surplus. But what was the truth? The truth was a deficit of \$10.3 billion, a deficit which has an obvious impact on health expenditure and on the delivery of health care services. The steady decline of people dropping out of private health insurance has grossly accelerated an increasing demand on public hospitals, so much so that between 1990 and 1996 2.6 million more public hospital beds were used than in the previous six years. Yet at the same time, the number of bed days used for private patients in public hospitals has fallen dramatically, partially as a result of Labor’s own Medicare agreements. Of course, this has further added costs onto the health funds.

In only two years, this government has recognised that reform in the health care system is much overdue, not only in areas such as Medicare and private health insurance but also in immunisation, promoting preventative health awareness, stimulating medical research and providing for the aged care sector. The government has introduced an incentive of up to \$450 for families to encourage them to continue with or take out private health insurance. This benefits families with incomes of up to \$70,000, and even more in cases where the number of children is more. More than 1.2 million Australians are benefiting from these incentives, including 14,980 people in my electorate of Canning.

The government has also looked at simpler billing procedures to make it easier for people to understand their bills. This will especially help older Australians who are often very confused by the current billing system. We have introduced coordinated care trials for people suffering from asthma, diabetes and

chronic pain. I mention some of these things because I firmly believe that all aspects of the health care sector need to be looked at and that prevention is always better than cure.

Health care is far too important an issue to be politicised. Neither the opposition nor the states should use people's wellbeing as a political football to make gains for themselves. The Australian people deserve better. My constituents in Canning are tired of hearing the states blame the Commonwealth for lack of funding. In a press release on 18 March 1998, Dr Wooldridge, the Minister for Health and Family Services stated:

1,300 people in WA waiting on lists for elective surgery will not be admitted for treatment this week due to the state government's rejection of the Commonwealth's \$2.9 billion increase in health care funding, which would deliver an increase of at least \$44 million to WA in the next financial year (98/99).

I am sure my people in Canning will welcome this money for use in our hospitals. Cost shifting is one of the biggest problems in the delivery of health care services. We need honesty in this debate, not playing politics. We need services delivered to the people, especially the aged, who often have to wait in agony for many months before they are advised that it is their turn for surgery.

Let me tell the House of incidents that some of my constituents have experienced. One gentleman had been admitted to a public hospital for elective surgery. Having received his premedication, he was then told that his operation could not go ahead. He was told to go home and come back another day. Regardless of the reasons for this decision, this is, in my opinion, ethically wrong and completely inhumane. For an elderly person to go through the process of preparing themselves for an operation, to arrange for their house to be minded, perhaps arrange for their spouse to be looked after by other relatives, and then to be told to go home after receiving a premedication is inexcusable.

Similarly unacceptable are the numerous complaints I have received from my constituents in Canning where they have presented themselves for surgery on specified dates, only to be told to go home because no beds are available. I recognise that an ageing

population and high technology for the use of treating illnesses add to the cost of the health care system. These are not, however, sudden or recent developments, nor do they pose insurmountable challenges, provided all sides cooperate in making health care more efficient and better able to focus on quality of care for patients—especially the chronically ill.

This government understands the pressures in the system and we are taking action to address them. Our offer to the states of \$2.9 billion extra funding is almost double the Keating-Beazley agreements of 1993 which were ritually criticised by all the states. People in my state of Western Australia remember only too well the desperate last-minute bribe that was handed to New South Wales and Victoria—an extra \$150 million handed over at five minutes to midnight on 30 June 1993 by the then Labor government—and how Labor paid that bribe by ripping off other states including Western Australia.

This government is tackling the problems Labor ignored. We are repairing a private health system that Labor tried to cripple. More importantly, this government is putting Australia's health care system on a more flexible, certain footing, so it can meet the challenges of the 21st century.

## Health Care

### Pharmaceutical Benefits Scheme

**Mr LEE (Dobell)** (5.30 p.m.)—Just in case there was any confusion amongst people in the gallery or those listening to today's broadcast, the previous speaker, the honourable member for Canning (Mrs Johnston), is actually a member of the government. She is a member of the government that is refusing to provide the extra funding that the public hospital system in Western Australia needs. Having described accurately and vividly the symptoms and the problems in the Western Australian hospital system, she has re-inforced—

**Mr DEPUTY SPEAKER (Hon. N.B. Reid)**—The honourable member will direct his remarks through the chair.

**Mr LEE**—Thank you, Mr Deputy Speaker. The honourable member for Canning has placed her support behind the Prime Minister, the honourable member for Bennelong (Mr Howard), and the Minister for Health and Family Services (Dr Wooldridge), the very people who are refusing to give Western Australia the funding it needs to provide an adequate public hospital system. How does the honourable member for Canning expect the problems in her local—

**Mr DEPUTY SPEAKER**—Order! The honourable member will address his remarks through the chair and not to the honourable member.

**Mr LEE**—Mr Deputy Speaker, when I say, ‘How does the honourable member for Canning expect the problems to be addressed,’ that is not addressing the remarks directly at her; it is addressing them through you. I repeat the point: the honourable member for Canning says that she wants the problems in her public hospital system addressed, but the problems can be addressed only through this government providing extra federal funding. For the honourable member to claim that in some way the federal government’s offer should be accepted by the state of Western Australia demonstrates that she does not understand the problems facing the Western Australian public hospital system today, this week, this month or this year.

The honourable member went on to criticise the former government for its Medicare agreement in 1993, saying that it was not a good enough deal for Western Australia. Ordinary Australians are getting sick and tired of this government trying to blame the former government for its lack of action in a whole host of areas. Let us put that to the side for one moment. If the member for Canning thought that the 1993 agreement was a bad deal for Western Australia, how can she support the current offer from the federal government when Richard Court has said that his state will end up with less money under the new agreement from Prime Minister John Howard than it was receiving under the former agreement negotiated when Paul Keating was the Prime Minister of Australia?

How can the member for Canning legitimately come into this House, list a series of difficulties in her local public hospitals, and then be part of a government that is refusing to provide the extra funds to her state to try to address the very problems that she has described? We can only hope that Richard Court will contact people such as the member for Canning and other coalition members of this parliament and try to persuade them that the Western Australian public hospital system needs additional federal funds so that proper services can be provided to the people of Western Australia.

The other point I would like to respond to is the claim by the member for Canning that this government is repairing the private health system. The government can claim to have spent a lot of money in trying to subsidise private health insurance. It spent \$1.7 billion of taxpayers’ money on the private health insurance tax rebate. The government has failed to deliver lower premiums as the Prime Minister promised before the last election. In fact, for most members of private health insurance, premium increases have swallowed up most of the benefit of the tax rebate. That is the real reason why membership has declined, not increased, under this government.

What is a worry is how the government raised that \$1.7 billion for its private health insurance tax rebate. Under this Prime Minister, the government slashed \$800 million from federal funding for public hospitals right around the country. It abolished the Commonwealth dental health program, which was previously getting \$400 million in the forward estimates. It also cut back federal subsidies for essential medicines. In its 1996 budget, this government implemented funding cuts of \$800 million from hospitals, \$400 million from the dental scheme, and another massive amount of \$500 million from the pharmaceutical benefits scheme in order to raise the \$1.7 billion which it has wasted on the failed private health insurance tax rebate.

In hindsight, one can imagine the difference it would have made if the government had spent the same amount of money directly on patient care. Imagine if that \$1.7 billion had been injected into our public and private

hospitals: operating theatres could have been kept open longer; more nurses could have been employed; and the hospital waiting lists could have been reduced. Instead, this government has spent \$1.7 billion on a health insurance tax rebate that has failed completely.

The government has also made a number of changes to the pharmaceutical benefits scheme. Over 3,000 of my local constituents have taken the time and the trouble to write to me expressing their opposition to this government's cuts to the pharmaceutical benefits scheme. Most of the people who have written to me about their concerns about the cuts are from suburbs such as Long Jetty, Gorokan, Killarney Vale and Wyong—suburbs where large numbers of older Australians live. Also, over 500 people attended public meetings which were organised to allow me and the shadow minister for aged care, the member for Jagajaga (Ms Macklin), to discuss these changes and a number of other issues that affect older Australians.

The Howard government dismisses as a scare campaign our campaign opposing the changes that this government has made to the pharmaceutical benefits scheme. The really scary thing about this is the nature of the changes that the government has made and the impact that they have had on ordinary Australians. Let me give a few examples of the correspondence I have received from my constituents. I received a letter from Dorothy Perry of Bateau Bay. She said:

Thank you for the information re the proposed cuts to concessional medicine. If implemented they will certainly disadvantage many in the community and the elderly in particular, since all the medical conditions targeted are pretty much the disabilities of the aged. Indeed the cuts could be instrumental in raising blood pressure, bringing on heart attacks and causing depression!

Health care is a major concern of every one of us—and yet we see so much of the health dollar being diverted to the wealthy. Many of us are much dismayed by what we see as the insidious dismantling of our Medicare scheme by the Howard Government. Medicare rates very highly with the electorate—to the extent that even if it were necessary for its future viability to increase the levy, I believe there would not be a very loud outcry.

If the ALP could assure us that Medicare is one of their top priorities in the run up to the next elections, I'm sure that would bring in the votes and certainly win back the "Howard Battlers".

E. Stephens of Niagara Park said:

I would like to know more about what this Government is doing as regards nursing homes, tablets and now this GST tax. I don't pay tax, so how does it affect pensioners? I am a war widow, still in my own home but at 70 years I don't know if I will have to go to a nursing home. The Coalition has caused no end of trouble to elderly people and being called bludgers by Mr Moran, when my husband was in the RAAF for six years, we were taught to work and work, but with this Government they want to take everything and get rid of us, we are living too long for them. John Howard will kid people again before the next election like he did before.

A third letter, from Allan and Dorothy Graham of Killarney Vale, said:

Thank you for informing your electorate of the drastic cuts to the Pharmaceutical Benefits Scheme. These charges are inflicting severe hardship on the aged, sick and struggling Australians.

As aged pensioners with very little extra income these charges and many more by this uncaring Coalition Government are very hurtful.

The other cutbacks that have been made affect not only the access to essential medicines but the right of ordinary Australians to have emergency and preventive dental care. We had the Commonwealth government putting in \$100 million a year under the Commonwealth scheme until the 1996 budget, when this government completely abolished the Commonwealth dental health program. When we raised this issue in the House this afternoon, we quoted a personal guarantee from John Howard to his fellow Australians. It was on the letterhead of the member for Bennelong, over his signature. It stated:

I give you my personal guarantee that under my government pensions and other social security and veterans' payments and entitlements will not be cut.

**Mr Kelvin Thomson**—And entitlements?

**Mr LEE**—And entitlements. That is the Prime Minister's personal guarantee. Having given that personal guarantee, we had the Prime Minister today at question time claim that any commitment that he made on pension payments did not go to the guarantee that he

provided in this letter—that people's entitlements would also be protected.

**Mr Kelvin Thomson**—So this was a non-core guarantee?

**Mr LEE**—Obviously this was a non-core promise. It was certainly a promise to all of the older Australians out there that their access to essential medicines at a fair price and their access to preventive and emergency dental care should have been maintained. Commonwealth senior health care card holders were also meant to be entitled to continuing access to hearing aids, under this personal guarantee from John Howard. All of those three promises were broken. The Prime Minister broke the promise to provide fair access to dental care, he broke the promise that people would get fair and reasonable access to essential medications, and he broke the promise that senior card holders would continue to have access to Australian hearing aids. Broken promises such as these will be held against this Prime Minister at the next election. Members such as the honourable member for Canning (Mrs Johnston) will not stand up for her state to get fair access to public hospital funding. Her fall will result in this government's loss. (*Time expired*)

#### **Bradman, Sir Donald**

**Mr COBB** (Parkes) (5.40 p.m.)—I am pleased that the Minister for Defence (Mr McLachlan) is at the table today, because I want to pay tribute to Australia's finest son, Donald George Bradman, the greatest batsman the world has ever seen. He was outstanding in tennis, squash and golf—a very fine sportsman and a very fine individual.

It is interesting to look at his history. His grandfather, Charles, was born on 25 May 1833 near Withersfield, Suffolk. The Bradmans were rural working-class agricultural labourers. In 1852, Charles joined other Suffolk farm workers lured by tales of the discovery of gold in Australia. He left behind his seven brothers and sisters and, with 95,000 others, came to Australia. He settled at Mittagong in the southern highlands and in 11 years of agricultural labouring earned enough money to buy his own farm. He married Elizabeth Biffin, who was born in

Australia—unusual for a girl in those times. In 1874, they moved 150 miles west to Jindalee in the Cootamundra district. They had six children, and amongst them was George, Sir Donald's father, born in 1876. In 1907, Charles died. Both Charles and Elizabeth are buried at the Cootamundra cemetery.

In 1893, at the age of 17, George married a 22-year-old girl, Emily Whatman, who came from a farming family in the Mittagong ranges. They settled at Yeo Yeo near Cootamundra, where they owned their own farm. Emily had four children initially—three girls, Islet, Lily and May, and a son, Victor. Four years later, when she was 37, she had another small son—Don—almost as an afterthought. That was on 27 August 1908 in Adams Street, Cootamundra.

Don lived his early years, until almost the age of three, in a humble, small, slab hut. In 1911, mainly because of Emily's health, they moved to Bowral, 80 miles south of Sydney, with a population of about 2,000, where his father took up carpentry. Don attended Bowral school. He met his future wife, Jessie Menzies, and so formed the greatest partnership in his life that was broken only recently with the sad death of Jessie. They married in 1932. They had a son, John, and a daughter, Shirley. Their son, John, despite having polio in his early years, became a champion hurdler for South Australia.

Don played his first cricket match as an 11-year-old. He came in facing a hat-trick, and he scored 55 not out. The following year, at the age of 12, he made his first century playing for Bowral school against Mittagong. He made 115 not out, out of 156. In the next match, he made 72 not out. He honed a lot of his skills, as is well known, by throwing a golf ball against the brick stand of an 800-gallon tank in his backyard and hitting the ball with a stump, using the laundry door behind him on an eight-foot cement strip as a wicket. In 1925, his first serious year in cricket, as a 17-year-old he scored 1,318 runs at an average of 101.3, took 51 wickets at 7.8 and held 26 catches for Bowral. In the second last match against Wingello, he faced Bill O'Reilly for the first time, and that afternoon made 234 not out. Bill got him out first ball

the next Saturday. In the final against Moss Vale, which extended over five Saturdays, he opened and scored 300. His uncle, George Whatman, made 227, and they made nine for 672. His brother, Victor, only made one in that innings. Bradman took four for 39 in Moss Vale's two innings, and they won that match by an innings and 338.

The following year, Bradman played in the final again and scored 320 not out. He was banned from playing at that level of cricket again. In 1927-28, he was selected to play for New South Wales, and they took four days to travel by train to Adelaide. Nowadays, you would jump on a plane and you would be there in about 2½ hours. He did not get any sleep travelling overnight and they got off at Broken Hill, Don having got sick on the train. They rested for a day and the next day played a match against Broken Hill, as was often done in those days. He said that it had hardly rained for the previous two years, there was no grass on the oval, there was red soil and dust up to two inches deep everywhere and not only was there a concrete pitch without a mat but there was a concrete run-up. He did not have any sandshoes, and he could not wear his sprigs, so he had to play in his ordinary shoes. He made 46.

Bradman went on to Adelaide. Archie Jackson had a boil on his knee, so he was selected to play. He made 118 in his first innings. It is interesting that some years later, in 1935, when playing for South Australia in his first match he made 117 against New South Wales. He played 31 times for each state, scoring an average of 107.74 for New South Wales and 112.97 for South Australia.

Probably one of his best remembered feats was when he scored 452 not out in the second innings for New South Wales against Queensland in 1929, having scored three in the first innings. They won that match by 685 runs with two days to spare. Imagine what would have happened if he had been allowed to bat on. He scored his first 100 in 104 minutes, his second 100 in 185 minutes, his third 100 in 288 minutes, and his 400 came up in 377 minutes. In the four sessions that he batted he made consecutively 85, 120, 105 and 142, so

making his 452 not out in 415 minutes—a remarkable feat.

In his first test against England in 1929 he made 18 in the first innings and one on a sticky in the second and was amazingly dropped for the second test. Coming back for the third test he made 79 and 112 in the two innings against England and was never dropped again.

In 1930, he had his most remarkable tour of England, scoring 236 against Worcestershire in the first match. Incidentally, in the next three trips he made 206, 258 and 107 against that county. In the second match in 1930 he made 185 not out. He scored 1,000 runs before the end of May and made 974 runs in the five tests. In the first test he made eight and 131. In the second test he made 254 and one. In the third test he made 334, a world record at the time. In the fourth test he made 14. In the fifth test he made 232. To score that triple century he came in during the first over and was not out 105 at lunch. He made 115 between lunch and tea and 89 between tea and stumps. He was 309 not out at the end of the day. That is quite remarkable.

In his 80 test innings he made 6,996 runs at an average of 99.94. His average was 101.4 but he made a duck in his last innings, which dragged his average down to under 100. The speed of his innings was quite remarkable. He averaged not much more than two hours for every 100 he made. He made 200 or more in a single day 27 times, making a double century 37 times in all.

It is interesting if you look at a bell curve of batting distributions with a standard deviation of 14 to see that the average test batsman who averages more than 20 averages 29. Very few have made more than one standard deviation of 43—only people of the quality of Doug Walters or the Chappell brothers. Only a handful have made more than two standard deviations of 57—people like Wally Hammond, Brian Lara and Graham Pollock. His batting average of over 99, more than five standard deviations from the norm, shows what an incredible batsman he was.

In Leeds in 1934, on his second trip to group to England, England had made 200 in the first innings and Australia was 3-39 at the

end of the first day with him to go into bat the next day. The great writer Neville Cardus invited Don Bradman to dinner. Don said, 'Thanks, but I have to make at least 200 tomorrow.' Cardus pointed out the law of averages: 'You made a triple century there last time. Therefore, it is unlikely you will do it again,' to which Bradman replied, 'I don't believe in the law of averages.' At the end of the following day he was 271 not out. He went on to make 304. In the next innings he made 244 at The Oval.

For Woodfull's XI v. Ryder's XI in December 1929, Ryder's team made 663. He went in to bat for Woodfull's team and was last out at 124. They had made only 309, so he was sent in again to open. He finished the day with 225. So he scored a century and a double century in a day.

That is the sort of guy he was. He made a century in every 2.88 innings. No-one else has come near that. The closest is Wally Hammond with one in every 6.01 innings. He is a remarkable person indeed. He was very dominant in cricket. He became known as an absolute legend in his lifetime not only to people during his cricketing and sporting career but to his family, his community and his nation. I hope he enjoys good health in his twilight years. (*Time expired*)

**Mr DEPUTY SPEAKER (Mr Mossfield)**—Order! As the time for the grievance debate has expired, the debate is interrupted and I put the question:

That grievances be noted.

Question resolved in the affirmative.

### **TELSTRA (TRANSITION TO FULL PRIVATE OWNERSHIP) BILL 1998**

#### **First Reading**

Bill presented by **Mr Fahey**, on behalf of **Mr Warwick Smith**, and read a first time.

#### **Second Reading**

**Mr FAHEY** (Macarthur—Minister for Finance and Administration) (5.50 p.m.)—I move:

That the bill be now read a second time.

When the Telstra (Dilution of Public Ownership) Bill was introduced in April 1996 the

opening lines of the second reading speech were:

This bill is about the government delivering on its promises.

In marked contrast to the approach taken by the former government in the cases of the Commonwealth Bank, Federal Airports Corporation and QANTAS we have sufficient regard for the electorate to be up-front about our intentions.

We made crystal clear in our election policy that if elected we would introduce into parliament at the earliest opportunity legislation to sell one-third of the Commonwealth's equity in Telstra by way of a share float.

We delivered on that promise, resulting in an outstandingly successful public share offer that has been universally applauded in the community, and which was overwhelmingly supported by the ordinary investors—the mums and dads of Australia—and by the employees of Telstra itself. We are again delivering on our promises. We promised that there would be no further sell down of the Commonwealth interest without the government first getting a mandate from the people at a federal election.

Here is the proof of our words. We have faith in the good judgment of the Australian people. We are spelling out the legislative basis on which a further sale will take place so they can make fully informed choices at the polls. This bill clearly provides that, when enacted, the act can only be proclaimed to come into effect on a date after the next federal election.

The Australian people's reaction to the float in November last year is ample evidence of their enthusiasm to invest in and benefit directly from the continuing growth of one of Australia's largest companies. Over half a million Australians acquired shares for the first time and 92 per cent of Telstra's employees invested in their company. The Telstra float has brought about unprecedented levels of share ownership in the Australian community. Share ownership in Australia has soared to over 40 per cent of the adult population. More than 5.5 million adult Australians are participating through direct share ownership and through managed funds. Direct share ownership levels are above most other major Western economies, including the United

Kingdom and Canada. The further sale will broaden and deepen that commitment to investing and sharing in the nation's future growth.

The democratisation of share ownership in Australia will itself prove to be an engine for economic growth. The benefits will not be restricted to those who take up the opportunity to invest. All Australians will benefit from the uses this government will make of the proceeds of the further sale of shares. The vast bulk of the proceeds will be used to retire the debt accumulated by past Labor governments. Combined with the proceeds of the initial sale, this will bring about a halving from the June 1996 level of government debt. In addition there will be an opportunity for some of the proceeds to be directed to providing a social bonus.

Offering the remaining Commonwealth holding in Telstra for sale is a further element of a broader telecommunications policy—a policy aimed at giving Australians a world-class telecommunications industry in terms of technology, pricing, quality of service and the capacity to sustain support for national competitive advantage across a wide range of industry sectors. It is also another forward step in the march towards the new millennium.

The opposition can lay claim to have taken the first small step with the enactment of telecommunications legislation in 1989 which established an independent regulator, some very limited competition in defined areas and price controls on reserved services. The Labor government also took further halting steps in 1991 and 1992 in opening the telecommunications market to a private national facilities based network competitor, incorporating the merged Telecom and OTC as a Corporations Law company and licensing three mobile telecommunications operators. Back then Labor certainly recognised the merits of privatisation in its sale of Aussat to form a nucleus for Optus.

Whatever the rhetoric at the time, the incorporation of what is now Telstra under Corporations Law was an explicit recognition that Telstra was and is first and foremost a business. The universal service obligation was

placed in the separate Telecommunications Act, where it belongs, because it properly applied to the whole industry and not just one company.

This government has quickened the pace with the 1997 Telecommunications Act, which established a comprehensive framework for an open, competitive telecommunications market, and with the sale of one-third of the equity in Telstra last November. We are moving in the direction set by Labor's initial steps, but more quickly and confidently, because we have less baggage to carry.

What we are saying is that the business of government is not to be in business. The business of government is to set the framework within which business operates. It is for government to set the conditions under which companies compete, to establish and police safeguards for consumers and to place service obligations on the companies. And to do so free of any need to consider the effect on a government investment in the industry. Ownership of a telephone company is not a substitute for a comprehensive and transparent legislative framework, which clearly establishes rights and obligations. It is flying in the face of experience in Australia and overseas to claim that it is. Indeed, contemporary experience shows that governmental pursuit of competition and consumer benefits can actually be hindered by ownership responsibilities and obligations.

For pro-competitive countries like the United States, Great Britain, Canada and New Zealand, private ownership coupled with robust government imposed consumer and competition safeguards are the norm. The shared attributes of their respective telecommunications regimes are: transparent and independent regulation, universal service obligations, easy market entry, powerful laws on anti-competitive conduct, a comprehensive and broad access regime, record-keeping rules, tariffing requirements, carrier preselection, number portability and non-discriminatory access to underlying resources like spectrum, numbers and rights of way. Australia's regulatory framework also has all these attributes.



### **Key Community and Regulatory Safeguards**

This bill reaffirms the government's commitment to the comprehensive community and regulatory safeguards already enacted in legislation. These include:

- (a) a clear universal service obligation to ensure that standard telephone services and pay phones are reasonably accessible to all people in Australia on an equitable basis, wherever they reside or carry on business, as required by part 7 of the Telecommunications Act 1997;
- (b) continued access to untimed local calls, which is required by part 8 of the Telecommunications Act 1997;
- (c) the customer service guarantee imposed by part 9 of the Telecommunications Act 1997;
- (d) special benefits for rural and regional customers of carriage service providers under section 226 of the Telecommunications Act 1997;
- (e) a price-cap regime established in part 6 of the Telstra Corporation Act 1991; and
- (f) a flexible regulatory structure designed to stimulate competition in the telecommunications market and thus deliver cheaper prices, and new and improved services, to Australian residential and business telecommunications users, as set out in the Telecommunications Act 1997 and parts XIB and XIC of the Trade Practices Act 1974.

Let me emphasise that these key community and regulatory safeguards each place legal obligations on service providers or legally protect the rights of consumers. They are the law. To claim that these obligations and/or rights can somehow be eroded by the sale of shares in Telstra is quite misleading. Where the claim is made by members of this parliament it is both dishonest and a cop-out. The only way these obligations on service providers and rights of consumers can be eroded or removed is if this parliament permits it. This government will certainly not be permitting it.

This government is committed to the maintenance, enforcement and, where necessary, enhancement of these obligations and rights. Within this legislative framework, the government has included a number of specific measures to ensure that Australians living in rural and remote regions share in the benefits of improved and cheaper communications. The Minister for Communications, the Information Economy and the Arts (Senator Alston) will shortly approve Telstra's universal service plan which provides for reduced maximum connection times and greater general transparency and accountability.

### **Local Call Price Parity Measure**

A ministerial determination under the Telstra Corporation Act 1991 came into effect on 31 December 1997 to enable lower prices for untimed local calls in markets with competition to also be shared by consumers in markets without competition. Under the determination, the weighted average untimed local call price for residential/charity customers in rural Australia in 1998 is not to exceed the weighted average local call price for residential/charity customers in metropolitan Australia in 1997. A similar rule applies to untimed local call prices for business customers. It is anticipated that the areas between which pricing parity is to be achieved may be refined in any future price control determination as it becomes clearer which are the competitive markets attracting lower untimed local call prices.

### **Rebate Scheme for Remote Customers**

The Telecommunications Act 1997 required the minister to take all reasonable steps to put regulations in place by 1 January 1998 to give remote customers benefits comparable to untimed local calls available to customers in standard zones. The comparison has regard to the ability to make calls to essential business and community services on an untimed basis. From 1 January 1998, some 17,000 telephone customers in remote parts of Australia who have no access to untimed local calls are entitled to a benefit in the form of a rebate of up to \$160 in 1998 against each customer's pastoral call charges on their telephone bills. Telstra's pastoral rate of 25c for 4.5 minutes applies to calls made to the customer's com-

munity service town and within the extended charging zone.

This is an interim arrangement for 1998. The Telstra network does not presently have the capacity to cope with the anticipated increase in demand which would derive from the extension of untimed local calls in all remote areas. The government has requested Telstra to report by 30 June 1998 on a review to determine whether the scheme can be improved in 1999 and beyond. This process will continue as part of this government's genuine commitment to improving telecommunications services in the bush, regardless of Telstra's ownership.

Draft regulations to enforce the scheme have been prepared and consultations are being held with relevant carriage service providers. Although Telstra is currently the carriage service provider for these customers, the regulations will apply to all carriage service providers. Telstra has developed an implementation program to commence shortly with backdating to 1 January 1998.

Telstra is aiming to effectively achieve full digitisation of its local exchange lines by the end of 1998. Telstra's carrier licence includes a condition requiring that Telstra makes available to at least 96 per cent of the Australian population by 31 December 1998 a carriage service that provides digital data capability broadly comparable to that provided by a 64 kilobits per second ISDN channel. Telstra has indicated that it is on track to meet this licence condition.

The government is proceeding to phase out the analogue AMPS mobile phone network by 1 January 2000 because it is locked in contractually by Labor's 1992 decision. This government is, however, concerned that mobile phone users in regional Australia do not lose out. We will introduce a package of measures designed to ensure that all areas of regional Australia which currently receive mobile coverage will continue to have reasonably equivalent coverage after 2000.

The Australian Communications Authority will report by 30 June 1998 on the likely extent of any shortfall in coverage. In those areas where the Australian Communications Authority finds that there would be no reason-

ably equivalent coverage, either the AMPS service will be retained by agreement with the carriers or the government will impose network rollout obligations on existing GSM network operators to provide replacement coverage.

When we introduced the legislation for the one-third sale in April 1996 we included the customer service guarantee which requires all carriage service providers, not just Telstra, to meet standards established by the Australian Communications Authority for connection times, fault repairs and keeping of appointments. Enforcement has to date been through establishing a legal entitlement to compensation for the customer when a breach of the standards occurs. This usually takes the form of a rebate on the customer's bill. Telstra, for example, paid out some \$166,000 in February in respect of some 3,700 complaints.

#### **Customer Service Guarantee Scheme: Proposed Action**

The government places a very high priority on the need to maintain and improve quality of service. To give further effect to this priority, it is now proposed that the customer service guarantee be augmented so that not only do customers receive rebates for poor service but also the regulator is able to require carriage service providers to take remedial action to correct any systemic problems in meeting customer service guarantee scheme performance standards.

To achieve this, the Telecommunications Act 1997 will be amended to enable the Australian Communications Authority to give directions to carriage service providers requiring them to take action to ensure that customer service guarantee performance standards are met. Failure to comply with such a direction will be enforceable under the act and may incur penalties of up to \$10 million. Exercise of the new direction power will be at the discretion of the Australian Communications Authority after consultation with the Telecommunications Industry Ombudsman or at the direction of the minister.

The fundamentals of the customer service guarantee scheme remain unchanged, and oversight of individual complaints remains with the Telecommunications Industry Om-

budsman. However, the amendment will give the Australian Communications Authority, and the minister, power to require action by service providers in relation to systemic problems which become apparent through complaints of breaches of customer service guarantee scheme standards.

In addition, there are two issues being dealt with in a revised direction from the minister to the Australian Communications Authority:

- . requiring the Australian Communications Authority to ensure service providers better inform and promote to customers their legal rights under the Customer Service Guarantee scheme and put more effort into training of front-line staff;
- . setting a sunset date for the current standards at 12 months from their commencement—that is, 1 January 1999—and asking the Australian Communications Authority to work with the Australian Communications Industry Forum and others in reviewing the standards before that date with a view to tighter standards where practicable.

#### **Australian Ownership**

Telstra has a vital continuing strategic role in the national economy. Australia's long-term national interest therefore demands that it not simply be sold off to the highest bidder but that it remains an Australian owned and Australian controlled Corporation. Accordingly, the bill amends the Telstra Corporation Act 1991 to continue the pre-existing policy which:

- . restricts aggregate foreign ownership to a 35 per cent ownership stake in Telstra; and
- . restricts individual foreign ownership to a 5 per cent ownership stake in Telstra.

We are retaining the provisions enacted for the initial sale which:

- . impose related offence, anti-avoidance and enforcement provisions;
- . ensure that the Telstra's head office, base of operations and incorporation remains in Australia and that its chairman and the majority of its directors are Australian citizens; and
- . enable remedial action to be taken where there has been a contravention of the own-

ership limits and other requirements, including applications by Telstra or the minister for Federal Court injunctions and special provisions for prosecution of offences.

These provisions will not be affected by changes in Telstra's ownership.

#### **Industry Development Plans**

Government ownership is not a prerequisite for Telstra to sustain its commercial support for Australian industry. Telstra and all other licensed telecommunications carriers are required under the Telecommunications Act 1997 to produce industry development plans for the development in Australia of industries involved in the manufacture, development and supply of facilities relating to carrier business and research and development activities relating to such industries. This requirement is aimed at the promotion of long-term strategic relationships between carriers and suppliers.

In 1998 Telstra proposes to spend up to \$4.4 billion under its industry development plan. Typically, Telstra's direct spend with Australian small to medium enterprises has been about 30 per cent of the total spend. I note that the Leader of the Opposition (Mr Beazley) has recently questioned the efficacy of these arrangements. Well, they are his arrangements, developed and introduced by him. We supported them. They work. We will continue them while he abandons his own former achievements for imagined short-term political point scoring. The licence requirement for industry development plans will continue after full privatisation.

#### **Shareholder Oversight**

The performance of Telstra, its board and management is subject to the scrutiny of its private shareholders, whose assessments are reflected in share prices. Telstra has been the subject of more intense—and better informed—media and market comment and analysis in the last 12 months than it has experienced in its entire history.

While the Commonwealth retains a majority interest in the company it will retain special provisions to monitor financial performance and prospects. The bill provides for the minister to nominate a date at which the

Commonwealth ceases to have a majority interest. At that time the special privileges that the Commonwealth has over other shareholders in terms of access to information, except in connection with a sale process, will be removed.

At the same time the special power contained in part 3 of the Telstra Corporation Act 1991 for the minister to give directions to Telstra will be repealed. When the Commonwealth ceases to have the majority it would be inappropriate and unfair for it to promote its interests separately from and at the expense of the bulk of shareholders. There are now ample powers properly available under the regulatory legislation to ensure that public interest obligations of all carriers are properly delivered. For example, the Australian Communications Authority has a general power under section 581 of the Telecommunications Act 1997 to give directions in relation to its telecommunications functions to Telstra and other carriage service providers.

With regard to the government's regulatory role, Telstra will continue to operate under the same framework of consumer and competition safeguards and community service obligations as will apply to all other carriers. That does not need government ownership to make it work. It does so by force of law.

#### **Sale Provisions**

The sale provisions enacted for the sale of one-third of the Commonwealth's equity interests in Telstra proved effective and robust and are being retained substantially for the further sale. These include:

- . appropriation from consolidated revenue for costs incurred in the sale process;
- . providing for Telstra to assist in the sale process, as it did so effectively in the previous sale;
- . enabling the Commonwealth to use information obtained from Telstra for the purposes of the sale;
- . enabling the offer document for the sale of equity in Telstra to be registered under the Corporations Law; and
- . continuing formal exemptions from stamp duty, although this bill provides a power to

make regulations to specify exceptions to the general exemption from state and territory stamp duty and other taxes in relation to the sale.

The existing act provides the flexibility necessary to facilitate whatever detailed arrangements for the sale process are decided by the government. The mechanism through which the Commonwealth's equity in Telstra can be transferred to investors—'Telstra Sale Scheme'—is defined very broadly to include not only conventional single tranche sales but sales effected through a number of tranches or through single tranche sales with instalment purchase arrangements as well as through the use of other market instruments.

The act includes measures to ensure Telstra and its directors will, and can, cooperate with the sale process. The bill clarifies these measures. This removes any legal risk that the Telstra board could be in conflict with the Corporations Law by cooperating in the sale of the Commonwealth's equity in Telstra. Moreover, the act enables Telstra to receive fair reimbursement for reasonable costs incurred in providing assistance. It is the government's intention to meet those costs in the forthcoming sale processes in order to avoid detriment to the interests of the existing minority shareholders.

The existing act also includes a provision to enable the Commonwealth to 'opt in' to chapter 7 of the Corporations Law and thereby allow a prospectus to be registered by the Australian Securities Commission. This means that the Commonwealth subjects the sale of its equity in Telstra to the same rigorous scrutiny that private sector entities face when they seek to raise or sell equity. This approach was adopted for the one-third sale, and the Commonwealth's conduct of that sale has been widely praised.

#### **Ancillary Legislation**

An examination has been made of legislation affecting Telstra to determine whether amendments are necessary or desirable prior to the further privatisation and the associated ending of Commonwealth control. Where appropriate, transitional or savings provisions have been inserted. The object is to bring Telstra to a position under the law similar to

that of any privately-owned comparable company. It should derive no special benefit because of its historical public sector status, nor should it carry any unnecessary burdens.

The bill makes it clear that, when further Commonwealth equity is sold, Telstra employees will cease to be eligible employees for the purposes of the Superannuation Act 1976. This provision has been included for the sake of transparency. The affected employees will have the option of preserving their rights in the Commonwealth Superannuation Scheme or rolling over to another superannuation scheme.

Consistent with the approach taken in previous privatisations, transitional provisions have been included to deal with such matters as long service leave, retirement benefits, maternity leave and safety, rehabilitation and compensation. The bill also contains minor technical amendments to several provisions, makes minor consequential changes and removes certain spent provisions. Importantly, the bill inserts a new part 2AA on anti-avoidance containing provisions to prevent Telstra from engaging in a scheme for the sole or dominant purpose of avoiding the application of any provision of the act.

### Summary

This bill is a clear indicator of the government's intent to do all in its power to deliver on its election promises. It will enable the implementation of a policy which has been clearly enunciated and which can be debated in the next election campaign. It will provide substantial benefits to all Australians by strengthening the economy through the retirement of debt. It will further enhance the development of a flexible, modern and competitive telecommunications industry in this country.

The opposition can hardly claim that there is some national interest to be protected by retaining the company in full public ownership. The former Prime Minister made it clear in June 1994 on national television that there was no essential significance in the ownership of Telstra so long as it was subject to the competitive disciplines of the market.

The current Deputy Leader of the Opposition (Mr Gareth Evans) was responsible for the initial legislation that separated regulation of the industry from government ownership of Telstra. The current Leader of the Opposition developed that further when he licensed Optus and privatised Aussat, helping to achieve what he called the 'net gain' from privatisation. I quote his words on 'net gain' from a speech to the National Press Club on 24 August 1994. The Leader of the Opposition said:

... potentially better services and lower prices for consumers, stronger enterprises and greater competition for our economy and, in the broader sense, making government funds available for new policy.

Enactment of this bill will continue the process of subjecting Telstra to market disciplines in the knowledge that the safeguards necessary to protect national and consumer interests are already fully provided in this and other legislation. I commend the bill to the House, and I seek leave to table the explanatory memorandum.

Leave granted.

Debate (on motion by **Mr Kelvin Thomson**) adjourned.

## TAXATION LAWS (TECHNICAL AMENDMENTS) BILL 1997

### Main Committee Report

Bill returned from Main Committee without having been fully considered; certified copy presented.

Ordered that the bill be taken into consideration forthwith.

**Mr ROCHER** (Curtin) (6.20 p.m.)—The Taxation Laws (Technical Amendments) Bill 1997 seeks to correct a series of unintended consequences that have resulted from amendments to both the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997. In all, there are changes to some 13 provisions being sought. While the government describes them as nothing more than minor technical amendments, there seems to me to be an awful lot of corrections being addressed here, minor or otherwise.

Only a fool or idealist would delude themselves into thinking that our system is a perfect one in which only perfectly crafted

legislation comes through this place. The reality is that tight legislative schedules and an extraordinarily complex taxation system collude to ensure that some of our tax legislation will contain unintended faults. It is, therefore, entirely appropriate that we have the opportunity to correct deficiencies which threaten to undermine the original intent of legislation in a bill like this.

That said, there is a lot of room for improvement in the attitude of the Australian Taxation Office, the ATO, in its public and private determinations and rulings and in the consultation process that governments variously pursue with professionals in the tax industry. There is also a very good case to be argued for the guaranteed introduction of a technical corrections bill into this parliament on a biannual basis to correct flawed legislation that may result in unintended disadvantages to taxpayers.

It has been suggested by one reputable tax adviser that the mind-set of the ATO in the rewrite or correction of tax legislation is now so geared towards resolving problems which it perceives to be detrimental to the revenue that its claim that the changes from the 1936 to the 1997 acts generally favour taxpayers is highly questionable. This contrary view was confirmed by Mr Stanley Droder, a member of the TLIP consultative committee, in his evidence to the Joint Committee of Public Accounts and Audit, the JCPAA, in only January last. Mr Droder argued that the relentless review of legislation by a Taxation Office obsessed with catching tax cheats means that the risk of error and the lack of certainty that an unintended error detected sometime in the future will mean a reinterpretation of the law with adverse consequences to taxpayers generally.

If the ATO has such a monopoly over the rewrite and interpretation of the 1936 ITAA, why should any of the professional tax bodies have confidence in the final drafting of legislation like this? The fact is that our principal tax act is now nearly unintelligible because of the manic way in which the ATO proceeds to 'chase down in legislation every possible loophole', to quote one leading tax expert. Yet it is the ATO that continues to

grip the tax law improvement project by the proverbial short and curlies.

In presenting evidence on the Tax Law Improvement Bill No. 2 (1997) to the Joint Committee of Public Accounts and Audit on 28 January 1998, Mr Droder said that the 'indecent haste' with which that particular bill was introduced into the parliament 'opens the possibility of even more errors than would be normally acceptable and increases the risk of unintended changes', as well as causing a decline in the confidence in the output 'not only in this bill, but also with successive bills yet required'. While Mr Droder was speaking directly to the TLIP No. 2 bill of 1997, his comments are worth reflection in the light of this technical amendments bill.

A submission made to the JCPAA by an elite team from the Australian Taxation Institute of Australia, the Institute of Chartered Accountants and the Australian Society of Certified Practising Accountants on the TLIP No. 2 bill outlined a multitude of possible technical errors in the rewritten legislation. In fact, one member of that team states that dozens of potential technical errors exist in the rewritten legislation as it now stands, which surely undermines the entire purpose of having a rewrite of the tax act in the first place.

If these concerns are not taken into account by the tax law improvement team, we could well find ourselves back here, once the rewrite is complete, debating another technical measures bill and trying to overcome shortfalls in what is supposed to be a new and improved tax act. The same argument has also been waged against this bill.

Mr John Kirkwood, partner at Ernst and Young in Sydney, has criticised the bill, not so much for what it contains, but for what is lacking in its 30 pages of corrections. Mr Kirkwood noted:

There are literally dozens of provisions in respect of which the ATO has agreed that there is an unintended outcome, but which are not mentioned in this bill and are not yet corrected. In this light, the bill can be seen as part of a highly selective process which leaves the 'hard ones' out of the picture. Why is it not more expansive?

Why, indeed, Mr Deputy Speaker?

The coalition has repeatedly patted itself on the back about its commitments to consulting widely with interested parties in the drafting of legislation generally. Certainly there are examples of consultation in other legislation coming before the House. One that comes to mind is the Corporate Law Review Bill 1997, but this bill does not fall into that category. It is another instance of tax legislation that needs a whole lot less sizzle and much more sausage when it comes to the ATO and Treasury taking on board the concerns of experts.

One of the more serious consequences of a government dismissing the legitimate concerns of professional tax bodies is an increase in the compliance costs for taxpayers. The coalition suggests in its explanatory memorandum that the bulk of the corrections sought in this bill will have either no impact or only a minimal one. It may well be true that compliance costs will not significantly increase for taxpayers as a result of this legislation, but there should be no doubt that valuable advisory time is consumed in coming to grips with each and every change to our tax acts. These costs, no matter how slight, will at some stage trickle down the tax food chain and hit the average small business proprietor or the PAYE taxpayer, if only in the form of higher professional fees.

Apparently, inquiries have been made of the ATO about identified and recognised deficiencies in our tax law and why they have not been corrected in this bill. The reported response has been that there is no certainty that a parliamentary slot will be made available for the debate of such amendments. That is a totally unacceptable non-excuse.

No wonder doubt was expressed to the JCPAA on 28 January last as to whether 'those who have been consulted'—that is, about ways to improve our taxation regime—'actually feel satisfied with the final product or that their issues have been adequately considered'. It was suggested by another witness before the committee that, 'Those making submissions need tangible evidence that their work is not being dumped into a black hole and ignored.' Clearly, many in the tax fraternity feel that there is little of sub-

stance in this legislation to assure them that their input has not been for nought.

**Sitting suspended from 6.30 p.m. to 8.00 p.m.**

**Mr ROCHER**—I wish to comment briefly on two specific amendments in this bill, including the amendment to section 318 of the Income Tax Assessment Act 1936—that dealing with foreign source income and the amendment to the tax treatment of provisional tax credits.

The government is proposing that provisional tax credits cannot be applied against provisional tax that is not due and payable notified for a later year. As Mr Kirkwood correctly pointed out, some 30 years after the introduction of the provisional tax regime, the Australian Taxation Office is still using every method possible to 'garnish entitlements of taxpayers against expectations of further tax liabilities'.

Clearly it is not the taxpayer who benefits from the practice of holding back refunds where a probable future tax liability merely might emerge—and I emphasise 'might'. There is only one winner in such cases, and that is the ATO itself. As far as the corrections sought to foreign source income, Mr Kirkwood noted:

Years of discussions with the ATO regarding the faults and unintended consequences in section 318 have resulted in only this minor amendment, which has a purpose only of protecting the revenue.

He goes on to say that section 318 has such a broad application that any Australian company investing in offshore joint ventures with a foreign company, which foreign company has a subsidiary in Australia, is deemed to be an associate of the foreign company merely by virtue of the foreign company's investment in Australia. Mr Kirkwood described this as an 'extraordinary and unintended outcome' and asks, 'Where is the correction in the bill?'

This bill does nothing to improve the workings of section 318 because it is not in the interests of the Australian Taxation Office to do so. The bill also seeks to make minor technical amendments to the definition of private and public tax rulings. On 11 September 1996, I commented in some detail in this place about the treatment that I believe these

rulings and determinations should receive, and I wish to revisit those remarks.

Public rulings and determinations should be subjected to the same parliamentary scrutiny as regulations because, while those rulings are not law or delegated legislation in a strict sense, the ATO applies them as if they were law. If the ATO holds up its rulings as law—and it does—then those rulings should be subjected to the same degree of scrutiny to which regulations are subjected. They should be treated as regulations, face disapproval by either house of the parliament and have five-year sunset clauses.

In its November 1993 report, the then JCPA recommended that all public tax rulings should go through a formal approval process. It is the responsibility of the parliament to make the laws of this land and, more particularly in this context, our taxation laws. All public rulings and determinations should be subjected to parliamentary scrutiny to ensure that they comply with the parliament's will and the parliament's interpretation of the meaning of how its laws should be interpreted and applied. The Commissioner of Taxation should not have the unfettered right to draft tax rules at his sole discretion, but this is precisely what our current system sanctions.

Only the week before last, the ATO was questioned about the total number of tax rulings and determinations being fielded by the Taxation Office at that time. As I understand it, the response from the ATO was along the lines that no accurate estimation could be provided because new public rulings and determinations were added to the list on a daily basis while others were deleted regularly.

It is a sad commentary on the ATO's grasp of the quantity and volume of law it effectively makes as distinct from statutory law passed by this parliament that it fails to be able to provide a reasonable estimate of even the number of current public rulings and determinations made by the Commissioner of Taxation. If it cannot or will not disclose the quantity of its rulings or determinations, we can be damned sure it does not have a working knowledge of the contents. The taxation commissioner should not have the ability to

bypass accountability to the parliament, and binding rules of a tax nature should be established only with the approval of parliament or, at the very least, with the parliament having the right to disallow.

While I support the passage of this bill, I remain unconvinced that the government is doing everything it can to facilitate a speedy correction of other technical errors that plague our tax legislation. It is lamentable that the practice of legislation by press release now seems to be the norm rather than the exception.

In the likely event that the Treasurer (Mr Costello) continues to announce changes to our tax act in this manner, it is suggested that, at the very least, more time should be spent by those drafting the legislation to minimise the incidence of technical or unintended errors. World's best practice in the drafting and management of tax legislation processes and procedures should obtain, just as it should in all sectors of the economy.

**Mr MILES** (Braddon—Parliamentary Secretary [Cabinet] to the Prime Minister) (8.07 p.m.)—in reply—I will be brief in my summing up. I thank those members who participated in the Main Committee and the member for Curtin (Mr Rocher), who participated in the chamber.

The Taxation Laws (Technical Amendments) Bill contains a number of minor amendments and technical corrections. The government is making best efforts to tidy up the technical errors that cause uncertainty in the law. The amendments will make sure the tax laws operate as intended. The technical correction aspect of the bill makes some wording changes and other minor corrections. The bill corrects deficiencies in the tax law that have been found by the Australian Taxation Office or have been raised during consultations with professional bodies and tax practitioners. Generally, these changes are beneficial to taxpayers. I commend the bill to the House.

Question resolved in the affirmative.

Bill read a second time.



**Third Reading**

Bill (on motion by **Mr Miles**)—by leave—read a third time.

**BUSINESS**

Motion (by **Mr Miles**) agreed to:

That the following orders of the day, government business, be returned to the House for further consideration:

National Residue Survey Administration Amendment Bill 1998

National Residue Survey (Customs) Levy Bill 1998, and

National Residue Survey (Excise) Levy Bill 1998

**NATIONAL RESIDUE SURVEY  
ADMINISTRATION AMENDMENT BILL  
1998**

Cognate bills:

**NATIONAL RESIDUE SURVEY  
(CUSTOMS) LEVY BILL 1998**

**NATIONAL RESIDUE SURVEY (EXCISE)  
LEVY BILL 1998**

**Second Reading**

Debate resumed from 4 March, on motion by **Mr Anderson**:

That the bill be now read a second time.

**Mr O'KEEFE** (Burke) (8.10 p.m.)—I rise to signal to the House that the opposition concurs with the legislation and with debating it cognately. As was made clear in the second reading speech, these are administrative amendments to tidy up the legislation and to give effect to the carrying out of the process of the national residue survey. We are quite supportive of this process.

I might just take a couple of minutes of the time of the House to mention that at the ALP's national conference in Hobart earlier this year, in approving our platform for the future of agriculture, there was specific reference in that platform to the broader policy issue of guarantees to consumers about food quality and safety assurance and, within that general context, a recognition of the fact that residues—if they are not already a major consumer issue—are very rapidly moving onto the agenda and that we, as a nation

which takes some pride in presenting ourselves to the world as a producer of high quality food products, must be conscious of the growing need to guarantee both residues and all the other matters that relate to food quality and food marketing.

As I said in the more substantive discussion of this topic when the legislation first came through the House, the Labor Party completely supports the establishment, management and administration of the residue survey. We will be insisting that best practice standards of science and analysis are maintained because we hold the view that at some point in the not too distant future access to markets will depend very much on being able to demonstrate the 'clean green' basis behind which we make our claims.

Having said those few words, I will facilitate rapid passage of this legislation through the House by indicating that the opposition supports it. We do not have any amendments or proposed changes.

**Mr ANDREW** (Wakefield) (8.13 p.m.)—I will follow the good example of the member for Burke (**Mr O'Keefe**) and ensure that I too do not delay the House for long, but I must mention that the legislation is before the House partially because the onion industry faced a situation where whether or not it was paying the national residue survey had not been clearly determined because the onion industry is one of those industries where the payment of the levy was dependent on the payment of other primary industry levies. In the case of the onion industry, the other primary industry levies had been set at zero.

The legislation before the House ensures that even though other levies may be set at zero, horticultural and viticultural industries and industries with a vegetable emphasis such as the onion industry will still have an obligation to meet what is necessary under the national residue survey levy.

The member for Burke has made the point that the opposition does not oppose the legislation. Clearly, the government does not oppose it or it would not have introduced it. I have an electorate in which a large number of onions are produced. I felt I should say, on behalf of the onion industry, that while some

producers clearly saw this as an additional charge the reality is that every Australian industry has an obligation to ensure that its obligations to meet the cost of the national residue survey are met.

I restate the comments made by the member for Burke and point out to the House that if we are to see the sort of economic recovery that each of us would seek for this country then clearly that economic recovery will have to be generated entirely by export production. The capacity for us to have adequate export production depends entirely on our ability to maintain our reputation overseas as a producer of clean and green produce. It is self-evident that that reputation largely pivots on the way in which we are seen overseas not only as people who claim to have clean and green produce but as people whose produce will stand any survey and can prove on paper that their produce is beyond doubt residue free. The National Residue Survey Authority ought to be commended on the work it has done in maintaining the reputation of Australian primary industry overseas. Much of the success of our exports has been built on this clean and green image.

Quite frankly, not only do I represent an electorate with a reputation for growing onions but, oddly, it is also an electorate with a reputation as a wine producer. The success of Australian wine overseas has also been built on this clean and green image. It is not coincidental that the boom in wine exports to Europe followed the Chernobyl disaster when Australia was able to capitalise on that because of our clean and green image. I as a member of the government am very happy to support this legislation, to recognise the constructive remarks made by the member for Burke and, in keeping with those remarks, to seek the rapid passage of this legislation.

**Mr O'Keefe**—Any olives in your territory?

**Mr ANDREW**—I do not wish to delay the House, but I do want to respond to the member for Burke by indicating that my territory, as he calls it—more accurately described as the electorate of Wakefield—is a veritable fruit bowl, in which olives, almonds and grapes are grown. It is in fact a garden of Eden. Thank you for the legislation.

Question resolved in the affirmative.

Bill read a second time.

### Third Reading

Leave granted for third reading to be moved forthwith.

**Mr RONALDSON** (Ballarat—Parliamentary Secretary to the Minister for Transport and Regional Development) (8.18 p.m.)—I move:

That the bill be now read a third time.

I thank the shadow minister, the member for Burke (Mr O'Keefe), for his comments. I am sure we will all be relieved to know that something constructive did come out of the ALP National Conference in January. So that was very useful information for us. The very widely respected member for Wakefield (Mr Andrew) does have a garden of Eden, but I can assure him that there are many other electorates throughout Victoria, including Ballarat and—dare I say it—Burke, that can lay equal claim to that, as the member for Bendigo (Mr Reid) will appreciate.

This is important legislation, and I would like to sum up on behalf of the Minister for Primary Industries and Energy (Mr Anderson). These national residue survey bills are part of a package designed to correct technical faults in the national residue survey legislation and to consolidate 22 levy imposition acts into two acts.

The National Residue Survey Administration Amendment Bill 1998 amends the National Residue Survey Administration Act 1992 to overcome technical faults that had the effect of making liability for payment of national residue survey levies dependent upon liability for the payment of another primary industry levy. The original intention had been that the liabilities for payment of both levies would arise at the same point in the process and would be collected at the same time, not that one should be dependent on the other. The act has therefore been amended to make it clear that NRS levies are stand-alone levies, levied separately from other primary industry levies. NRS levies will still arise at the same point in the transaction process and be collected at the same time as other primary industry levies.

The legislation has also been amended to ensure that the NRS levy on export onions is valid, as referred to by the member for Wakefield. This is also needed because NRS levies have been determined to be dependent upon liability for another levy. In the case of export onions, that other levy rate is set at \$0.00 per tonne, and there is some question as to whether such a rate would trigger the liability for payment of an NRS levy. The package also repeals the 22 NRS levy imposition acts, the contents of which are then included in the other two bills in this package: the National Residue Survey (Customs) Levy Bill 1998, and the National Residue Survey (Excise) Levy Bill 1998.

Finally, I am sure all members of this House would support this legislation. It is a matter that I have been personally contacted about by producers in my electorate of Ballarat. I think the fact that this is being supported by the opposition shows that it is indeed good legislation, and the sooner it is passed the better.

Question resolved in the affirmative.

Bill read a third time.

#### **NATIONAL RESIDUE SURVEY (CUSTOMS) LEVY BILL 1998**

##### **Second Reading**

Consideration resumed from 4 March, on motion by **Mr Bruce Scott**:

That the bill be now read a second time.

Question resolved in the affirmative.

Bill read a second time.

##### **Third Reading**

Leave granted for third reading to be moved forthwith.

Bill (on motion by **Mr Ronaldson**) read a third time.

#### **NATIONAL RESIDUE SURVEY (EXCISE) LEVY BILL 1998**

##### **Second Reading**

Consideration resumed from 4 March, on motion by **Mr Bruce Scott**:

That the bill be now read a second time.

Question resolved in the affirmative.

Bill read a second time.

##### **Third Reading**

Leave granted for third reading to be moved forthwith.

Bill (on motion by **Mr Ronaldson**) read a third time.

#### **SOCIAL SECURITY LEGISLATION AMENDMENT (YOUTH ALLOWANCE) BILL 1997**

##### **Consideration of Senate Message**

Consideration resumed from 25 March.

*Senate's requested amendments—*

- (1) Clause 2, page 1 (line 16), omit "subsection (2)", substitute "subsections (2) and (3)".
- (2) Clause 2, page 2 (after line 2), at the end of the clause, add:
  - (3) Subsections 5243A(2A) and (2B) in item 6 of Schedule 1 commence on 1 January 1999.
- (3) Page 2 (after line 2), after clause 2, insert:

##### **2A Application**

Subsection 543A(2) does not apply to a person who last left school more than 12 months before the commencement of this Act.

- (4) Schedule 1, item 6, page 27 (after line 8), after paragraph (2)(b), insert:
  - (ba) the person has agreed to enter into a Youth Allowance activity agreement; or
- (5) Schedule 1, item 6, page 27 (after line 10), after subsection (2), insert:
  - (2A) Notwithstanding subsection (2) but subject to subsection (2B), a person who is not yet 18 years old is taken to have attained the minimum age for youth allowance if the person does not have the capacity to undertake full-time study or training because the person:
    - (a) is ill or has had an accident and the incapacity is, or is likely to be, of a temporary nature; or
    - (b) has a physical, psychiatric or intellectual disability, or a learning difficulty such as attention deficit disorder; or
    - (c) is pregnant and the expected date of confinement is within 6 weeks; or
    - (d) has given birth within the previous 6 weeks; or
    - (e) has been in full-time employment for 6 weeks or more within the last 13 weeks; or

- (f) has been refused enrolment and no other education or training place is available within a reasonable distance; or
- (g) is required to provide full-time care for a family member who is incapacitated due to illness or accident and the incapacity is, or is likely to be, of a temporary nature; or
- (h) has suffered a personal crisis such as the death of an immediate family member, a marriage breakup, family dislocation or physical, emotional or sexual abuse; or
- (i) is homeless and unable to obtain stable accommodation; or
- (j) has suffered a major disruption of their home such as fire damage, flooding, earthquake damage, vandalism or burglary; or
- (k) suffers from alcohol or drug abuse sufficient to cause intermittent or temporary absences from full-time study or training; or
- (l) is engaged in part-time work, education, training or a combination of these for not less than 20 hours per week; or
- (m) is a refugee whose capacity to undertake full-time education is reduced because:
- (i) the person has suffered torture, imprisonment or other traumatic circumstances; or
  - (ii) lacks sufficient English skills; or
  - (iii) is recently arrived and lacks stable accommodation; or
- (n) is the subject of a community service or juvenile justice order which reduces the person's capacity to engage in full-time education; or
- (o) will become 18 years old within three months; or
- (p) is in case management approved by the Secretary; or
- (q) is in other circumstances which, in the opinion of the Secretary, make it unreasonable for the person to be in full-time education or training.
- (2B) A person who is taken to have attained the minimum age for youth allowance on any of the grounds mentioned in subsection (2A) is eligible to receive youth allowance:
- (a) in respect of grounds mentioned in paragraphs (2A)(c) or (d)—for 6 weeks; or
  - (b) in respect of grounds mentioned in paragraphs (2A)(h) or (j)—for 2 weeks; or
  - (c) in respect of grounds mentioned in paragraph (2A)(l)—for as long as the work, education or training lasts; or
  - (d) in any other case, for up to 13 weeks or such longer period as the Secretary approves.
- (6) At the end of paragraph 543A(2A)(p), add "or, where no case management place is available to the person, is suitable for and agrees to undertake case management".
- (7) Schedule 1, item 6, page 49 (line 14), omit "1 January 1993", substitute "4 March 1997".
- (8) Schedule 1, item 6, page 50 (line 10), omit "1 January 1993", substitute "4 March 1997".
- (9) Schedule 2, item 8, page 125 (line 8), omit "of at least 10 years".
- (10) Schedule 2, item 8, page 126 (line 17), after subparagraph (ii), insert:  
; or (iii) are unable to provide the person with a suitable home because they lack stable accommodation;
- (11) Schedule 2, item 8, page 126 (line 31), omit "20 hours", substitute "15 hours".
- (12) Schedule 2, item 8, page 126 (line 34) to page 127 (line 1), omit "50% of average weekly earnings", substitute "the equivalent of 75% of the maximum Commonwealth training award payments".
- (13) Schedule 2, item 8, page 127 (lines 5 to 12), omit subsection (11).
- (14) Schedule 2, item 8, page 128 (line 23), omit "2 years", substitute "12 months".
- (15) Schedule 2, item 8, page 128 (line 26), omit "2 years", substitute "12 months".
- (16) Schedule 2, item 8, page 129 (line 21), omit "2 years", substitute "12 months".
- (17) Schedule 2, item 8, page 129 (line 25), omit "2 years", substitute "12 months or, in special circumstances determined by the Secretary, at least 6 months".

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

That the requested amendments be made.

**Ms MACKLIN** (Jagajaga) (8.25 p.m.)—  
There have been a number of amendments made in the Senate which I understand have been agreed to by the government, and the opposition welcomes those. I want to touch on some of those amendments briefly because they certainly have improved the operation of the Social Security Legislation Amendment (Youth Allowance) Bill 1997.

The first is that a number of amendments have been made to the provisions about

notification. We had some problems whereby there were a range of different notification provisions in the original bill. Some required written notification; others allowed the secretary to notify recipients of the youth allowance verbally. Some required the notices to contain details of the requirements and to set out the consequences of failure to comply with the notice; others did not. Some gave the recipients seven days to comply with the requirement; others did not set any notice period.

I am pleased that the amendments ensure that all notification must be in writing, must give details of the requirements and set out the consequences of non-compliance, and give 14 days notice. It is very important that people who are in receipt of or are applying for the youth allowance have very clear requirements in doing so. I am pleased that the government has seen fit to agree to these amendments.

Another area is where people will be defined as being independent if both parents are serving a prison sentence. The amendment removes the requirement that the prison sentence be of at least 10 years. So that is a more realistic situation for young people who find themselves in that circumstance.

Another area of considerable disagreement between the major parties is about the age of independence for students, and there was considerable debate in the Senate about this issue. We do know that the government significantly increased the age of independence for students to 25 and I am very pleased that an amendment moved by the Labor opposition was successful in the Senate and has been accepted by the government so that the age of independence will be progressively reduced over time. Students will recall that Labor in government did get the age of independence down to 22. That would be much more acceptable to students than the age that the government has increased it to, which is now 25 years.

Another important amendment is that in relation to the nature of the work attachment required if a person is to be found to be independent. What we have now is that a person only needs to have earned the lower

amount represented by 75 per cent of the maximum Commonwealth training award, rather than the previous amount which had been in the bill, which was that young people would be expected to earn 50 per cent of average weekly earnings during a previous 18-month period to be deemed to be independent. We were of the view that that was too harsh a requirement on young people, particularly given the opportunities for work that exist out there in what is a very tough work environment, and that it represents a more realistic assessment of the independence of young people, given the wages and the work opportunities that are available to them.

Another area that we were pleased about the government accepting is the extension of exemptions in relation to those who are under 18 years of age. Members would recall that the government, when it first introduced this legislation, was determined to see that young people who did not attend school under the age of 18 would not be eligible for unemployment benefits.

We took the view that this was too harsh a measure and that there were more positive ways of encouraging young people to stay at school. We certainly are of the view that it is in the interest of young people to stay at school for as long as possible. (*Extension of time granted*) However, we take the view that there are positive ways to do that rather than just taking the stick to young people. We moved an amendment that would enable young people to receive their unemployment benefits if they were willing to enter case management and seek employment rather than being in full-time education. I am pleased that the government has agreed to this, because it would have been a very serious state of affairs if young people who, for whatever reason, would not or could not go back to school were unable to have any form of support. It is a very important change.

There are two issues on which we are very disappointed that the government has not seen fit to support the amendments of the opposition. One is very significant: the age of independence for unemployed adults. The age of independence is now 21 for unemployed people. We think this is a very backward step.

In every other walk of life, when you are 18 you are considered to be an adult—you can vote, go to war or get married. To all intents and purposes, people at the age of 18 are considered to be adults. As far as this government is concerned, that is no longer the case if they are unemployed.

This is a very backward step. It will have a significant impact on low income families, which will have to take considerable responsibility for the incomes and living standards of their adult offspring. If families on average incomes—I am talking about family incomes of \$35,000 a year—have an unemployed adult living with them, that family will be \$55 a week worse off because this government has decided that young people are no longer independent at the age of 18 if they cannot find a job. It is, as I said, a very backward move.

Another issue on which the government, for reasons that are beyond me, failed to accept an amendment from the opposition was the proposal to extend the income bank to young people other than students. We welcome the government's proposal to have an income bank for students. It recognises that getting access to employment is not easy for young people and that often they can get casual work, save a bit of money and keep themselves going for a while. Labor sought to have this opportunity extended to young unemployed people as well as to young students. Unfortunately, the government did not accept the amendment. That will mean that young people who are unemployed will see their living standards reduced as a result.

As I said, we are pleased that the government has accepted some of our amendments. They will improve the legislation to a degree. However, Labor will be voting against the bill again, most significantly because of the intention of the government to continue to increase the age of independence from 18 to 21 for young unemployed people. This will impose considerable burdens on their families and on the young people themselves, and it is something that we will not support.

**Mrs GASH** (Gilmore) (8.34 p.m.)—I rise to join the debate on the common youth allowance. As I meet with groups around my

electorate of Gilmore, I am greeted by a wave of support for this measure, once again demonstrating the community's support for the policies of the coalition government. There have been two public meetings in Gilmore—one in Ulladulla and one in Nowra. Both were poorly attended. In Nowra, there was only a handful of parents, and no young people were present at all, despite the meeting having been organised by local youth workers and advertised in the local media, with plenty of publicity from anti-government areas.

I say once again that, if you go beyond the hype, the facts about how such a policy will affect people in the community are basic. In my electorate, approximately 595 young people aged under 20 years of age are on newstart allowance, eight people are on sickness benefits and 232 under 20-year-olds currently receiving youth training allowance. The total number of unemployed young people which this policy may affect is 835. Many of them will receive higher payments, most will receive no change at all and some will receive smaller payments.

Aside from these people, there is another group of young people in Gilmore who will feel the impact of the introduction of the youth allowance—those who are currently students and will finally receive more funding from the youth allowance. Nationally, of the 560,000 young people throughout Australia who currently receive income support, including Austudy, 378,000 will receive the same amount of money as they currently do, 137,000 will receive more and 33,600 will receive less money. Currently, people who study receive some support under the archaic policies of the previous government, but they receive less money than those who do not have work, with no access to rent assistance and little by way of encouragement from governments in terms of financial support to continue improving their education or training.

I draw attention to the results of the Clemenger report, *The silent majority*, a study of the attitudes of Australian people which is conducted every two decades. These results were released recently. The comparison is startling. It supported the idea that we have a

pessimistic view of what is happening. Some 20 years ago, the issues of most concern to people in Australia included the length of power chords on domestic electrical equipment and the short lifespan of school textbooks. If that was all they had to worry about, no wonder people yearn for the good old days. Now, 20 years down the track, the main issues of concern include so-called dole bludgers and immigrants receiving welfare.

The Clemenger report highlighted the fact that the majority of people believed that the government was making it easier for people not to work. This is something we are addressing with our two major programs, work for the dole and the common youth allowance. I also draw attention to the report of the House of Representatives Standing Committee on Employment, Education, Training and Youth Affairs, *Youth employment: a working solution*. The report highlights the fact that the wider community these days needs to recognise that young people who do not go on to tertiary education, like the 30 per cent who do, also need the encouragement and challenge of a career.

Only 30 per cent of all Australian students go on to tertiary education, and that is where the primary focus of mainstream primary and secondary resources are still focused. That is why this government is allocating many more millions of dollars for vocational education and training, including an extra \$7 million for 2,800 apprenticeships and traineeships in the Illawarra alone, to assist those who wish to follow alternative courses of employment and training. The government's common youth allowance was introduced with the intention of simplifying income support for young people and removing the disincentives in the system which stop young people from continuing their education. This, understandably, is a major contributing factor to young people successfully gaining employment.

The introduction of the common youth allowance follows concern from throughout the community, especially from young people, with regard to the discrepancies within the current system that allow young people on unemployment benefits to be treated differently from young people who receive subsidies

while they are studying. We received submissions from welfare groups, from community organisations, from youth groups and from parents, who were consulted when we formulated what we hope will be an answer to these concerns. The common youth allowance will simplify income support for all young people and it will replace five different payments. But, more importantly, the common youth allowance will encourage young people to continue further education. We can no longer tolerate a situation where young people drop out of school or tertiary education or training because they get more money on the dole. The community does not support it, and we certainly do not want to encourage it.

**Mr RUDDOCK** (Berowra—Minister for Immigration and Multicultural Affairs) (8.39 p.m.)—I want to make it clear that the bill that we are addressing is the Social Security Legislation Amendment (Youth Allowance) Bill 1997, which has been returned from the Senate with a number of amendments. The member for Jagajaga (Ms Macklin) spoke about those amendments that she believed had improved the bill and the number of respects in which that had occurred. She spoke on two matters which I will address—the age of independence and the access to the income bank arrangements by unemployed young people. She spoke about the extent to which this legislation does not permit the same arrangements that apply to students, and I will address that in time.

The important aspect to recognise in relation to this bill was highlighted in part by the comments of the honourable member for Gilmore (Mrs Gash). She may have intended her speech to address the subsequent bill, for which we will be having a second reading tonight—the Social Security Legislation Amendment (Youth Allowance Consequential and Related Measures) Bill 1998.

**Mr DEPUTY SPEAKER (Hon. N.B. Reid)**—If the honourable member rises in her place on the next bill, she may be able to speak.

**Mr RUDDOCK**—She will be heard again. That will be very welcome. The important point to note in the context of this bill which we are dealing with is that it is a big win for

young people. It provides a simplified system of income support which caters for the various circumstances faced by young people, while ensuring that the incentives for education and training are maximised. The measure involves very considerable additional expenditure in the social security budget, involving something of the order of \$212 million over a period of four years.

**Ms Macklin**—Not if you're unemployed.

**Mr RUDDOCK**—Well, it is a very considerable and large additional amount of money that is being spent that would not otherwise have been spent. That is the point that I am making. The arrangements provide positive incentives for young people to take up education and training to improve their long-term job prospects. It removes the financial incentives for young people to be on unemployment benefits rather than undertaking skills acquisition. I do not apologise for this. When I was shadow minister in the same position as the member for Jagajaga, it seemed to me that we needed to have a system in which the range of support that was given to young people in education was the same as we were giving to young people who were unemployed.

**Ms Macklin**—You didn't tell them that you were going to do this.

**Mr RUDDOCK**—What we told them was that we were going to move to have an integrated system in which the range of payments would provide the same opportunities for support but would assist in encouraging young people to take up education and training. The fact is that 153,750 young Australians will receive more money under the youth allowance arrangements and 358,600 will continue to receive the same amount of money that they do now. There will be a reduction in payment for 33,250 and no payment for 12,800 due to the introduction of the parental means test, which has been raised from 18 to 21 years for unemployed.

The introduction of the parental means test means that 18- to 20-year-old unemployed people will be treated the same as other young people of the same age who are in education and training. In that sense, it is a fairer deal. It recognises that moving the age

of independence from 18 to 21, in effect, conforms to the modern reality. Teenagers today do not suddenly become independent at 18. More and more are staying at home longer and are taking a graduated path to independence as they move into their early twenties. The effect of increasing the age for young job seekers is to bring them closer in treatment to their student peers. I think that is the important point that needs to be understood. It was a perverse system when, to be involved in study and to prepare yourself to take up employment opportunities, you were disadvantaged.

Criticism has been made of the parental means test that applies to these young people. The most important point to note is that the threshold of \$23,400 is the current threshold that applies to the youth training allowance and Austudy parental means tests; that is, the ALP when it was in government, agreed that it was reasonable for a phase-out payment to start at \$23,400. It is also important to reiterate that a family does not lose all payment at \$23,400; it phases out at the rate of \$1 in \$4. (*Extension of time granted*) If the parents earn around \$30,000, the child still receives a reasonable amount of income support. The payment does not cut out completely until the parents earn at least \$41,000. The threshold increases for every additional child in the family. If there are two older children, it increases to \$27,100, meaning that income support does not cut out until \$45,000. If rent assistance is payable, payment does not cut out until parents earn \$58,000. So low to middle income families are not cut off as a result of these measures. They receive a payment that recognises their ability to contribute to their children's upbringing. It is a win-win situation for young people in general, and it is a vast improvement on the situation that pertained before.

In relation to the income bank, I think it is important to recognise that students do have a different pattern of earnings. They are very often only likely to be in work for limited periods—often in vacations and other holidays. So it is fair that they get special treatment under the income testing arrangements. Young unemployed people, on the other hand,



have an opportunity to work throughout the year. The current income testing arrangements give them an incentive to pick up casual work. They do not need to have the same special treatment that students do. That is the reason for the distinction that has been made.

We are prepared to support the bill with the amendments that have been made and approved by the Senate. I am very surprised that, having obtained some of those amendments, the opposition are intent on opposing this measure. If they intend to do so and vote on it then so be it. To us this is a very important measure. It provides a vastly simplified system and caters for the various circumstances faced by young people. It does ensure that people are not encouraged to move out of education and training in order to obtain income support through the social welfare system that they could not otherwise obtain when they were involved in the education system.

Question resolved in the affirmative.

**SOCIAL SECURITY LEGISLATION  
AMENDMENT (YOUTH ALLOWANCE  
CONSEQUENTIAL AND RELATED  
MEASURES) BILL 1998**

**Second Reading**

Debate resumed from 5 March, on motion by **Dr Kemp**:

That the bill be now read a second time.

**Ms MACKLIN** (Jagajaga) (8.47 p.m.)—The Social Security Legislation Amendment (Youth Allowance Consequential and Related Measures) Bill 1998 is the second of a two-part package which will significantly hurt families on low incomes with young unemployed adults. The first part of the package, which we have just discussed, has just passed through the parliament despite Labor's opposition to it. 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 the Government for:

- (1) forcing poor families on as little as \$23,500 per annum to support their young unemployed adults following the introduction of a parental income test on unemployment benefits for

those aged between 18 and 21 from 1 July 1998;

- (2) completely abolishing unemployment benefits for young unemployed adults living in families earning more than \$42,000 per annum and forcing parents to find an extra \$87 a week to support their adult offspring;
- (3) adding insult to injury by labelling families caught in the parental income test, 'well-off';
- (4) cutting funding to the nation's secondary schools at the same time as young people under 18 will be forced back to school to receive the Youth Allowance;
- (5) failing to provide the same incentives for young unemployed people to work part-time as it has provided to students;
- (6) failing to reduce youth unemployment; and
- (7) handing responsibility for the costs of youth unemployment back onto the nation's parents making them pay the price for unacceptable levels of youth unemployment".

The essential points of the second reading amendment are that the Labor opposition is very concerned, even if the government is not, that the changes involved in this common youth allowance will see low and middle income families—those on incomes as low as \$23,500—having to support their young unemployed adults. If the minister at the table, the Minister for Immigration and Multicultural Affairs (Mr Ruddock), thinks as the Minister for Social Security (Senator Newman) does that these people are well off then that just demonstrates how out of touch this government actually is.

It shows that the government has no concept of how hard it is for families in Australia to make ends meet and how much it actually costs to raise teenage children. They are not children by any other definition once they are over the age of 18. If they are out looking for work, what does it cost in public transport? In most capital cities these days people have to pay fares of \$20 or \$30 a week. The government has no idea of what it actually costs young people to be properly dressed and to be well organised to look for work. To say to families on incomes between \$25,000 and \$40,000, 'You are well off, you can support your young unemployed people,' seems to be completely out of touch with reality. It is the case that families on incomes of \$42,000 a year are going to have to find an extra \$87 a

week. Nobody could say, as the Minister for Social Security has said in her public comments, that those families on incomes of that level are well off.

It is also the case that this government has been seeking to cut the benefits for those who are the least well off, who have the worst opportunities, who are unemployed. They are also being affected by this government's cuts both to secondary school and tertiary school funding. They are being forced by this government wielding a big stick to either go back to school or to seek further training. At the same time, this government is taking money away from essential services.

As my second reading amendment says, this government has done absolutely nothing to reduce youth unemployment. There has been no movement at all in the level of youth unemployment in this country since this government came to power. It does not matter how much hot air there is on it, the government is basically handing over responsibility for youth unemployment to low and middle income parents. That is really the essence of what is happening with the common youth allowance.

It seems parents around the country are going to have to cop the introduction of this youth allowance, given the votes in the Senate a few weeks ago and in the House again tonight. It will mean that the families who are struggling will be the losers. Those families are already having to come to terms with the penalty of youth unemployment. If this youth allowance goes ahead, as it now seems, from 1 July these families will face a double penalty. Families on low and middle incomes with young unemployed people will see their incomes reduced.

As if the experience of youth unemployment is not bad enough both for the young people themselves and for their families this government is intent, as we have heard from the minister tonight, on imposing another penalty on them. It is a financial penalty which will be worn by the parents of the young unemployed people. They are the ones who are actually going to bear the brunt of the cuts to unemployment benefits that this government has decided to pursue.

It is the parents who will have to make up the difference. The difference might not sound very much to the Minister for Social Security, but \$55 a week for a family on average weekly earnings of \$35,000—or \$87 a week for families on family incomes of \$42,000—is a lot of money when you have got adult offspring that you are going to have to support. It is an important point to emphasise because, as yet, families do not know what is going to happen. They do not know that after 1 July their family incomes are, all of a sudden, going down by \$50 a week or \$80 a week depending on their situation. You will have to fully support your child to the tune of \$87 if your family income is over \$42,000 and young people between the age of 18 and 21 will get absolutely nothing. There will be no assistance whatsoever for your young unemployed adult.

If you decide that you will not support your young unemployed adult, what is the government going to do about it? Absolutely nothing. As far as the government is concerned, it is the parents' responsibility. Whether those young people cannot find work has nothing to do with the government. As far as the government is concerned, this is the incentive to go and study. There are plenty of young people out there who want to actually work, who want to find work, who cannot find work because of this government's incapacity to actually improve youth employment and to get the economy going for young people. What is the government's approach to dealing with this problem? Take people off benefits; reduce family incomes. That is exactly what is going to happen.

The place at which this youth allowance starts to cut out is certainly not at a relatively well-off level, as Senator Newman, the Minister for Social Security, said. Families with an income of \$23,500 are poor by any definition. Certainly, if families have young unemployed people in them, they are very likely to be poor families. They are struggling to put food on the table. We are not talking about families that have a lot of choices. We are talking about families that are struggling, that do not have enough money to pay for the help that young job seekers need.

I have to say it is so hypocritical of this government. We heard so much before the last election about how this government was going to help battling families. Its cry was: 'We are going to reduce unemployment and reduce youth unemployment. We are going to help battling families.' What do we have today? We have a double-barrelled attack on those battling families that have young unemployed people in them.

This government has failed to have any impact on youth unemployment. It is absolutely stuck at around 26 per cent. What is the government doing with this piece of legislation? Is it going to do anything to help youth unemployment? Absolutely not. It is handing back the responsibility for youth unemployment to the nation's parents and saying quite literally to those parents, 'You pay the price for your young unemployed person being unemployed.'

On average, young people are unemployed for about five months. That means that families on average weekly earnings—that is, around \$35,000—will have to find \$1,100 over that five-month period to support their young adult. Of course that is just the average. There will be many young people who will be unemployed for longer than that and who will of course require even more support. But what the Howard government says to these young people is, 'Bad luck if you are young and unemployed. You are not going to be considered to be independent until you are 21, so you will have to go to your parents, even though you consider yourself to be able to go out there and make decisions for yourself and try to seek your own living.' As far as this government is concerned, that is not the way it is going to be any more.

Members of the government are saying that people are welcoming this decision. They must be talking to different people from those who are writing and ringing Labor members. We have been receiving calls from all around Australia from parents saying that the government is not in touch with the way that young people and their families are living their lives. For example, a father from Tasmania said to me that his 19-year-old son was in employment but he was worried that it was not

stable. The minister does not seem to understand that employment for young people, just as it is for students, is very unstable. They have to take whatever they can and make the best of it. It would have been a jolly good idea if they could have had access to the income bank to stretch their money that little bit further. But that was not to be.

As this father said, he is concerned that the employment that his son has is not stable and that he may be unemployed at some time in the future. His son has actually moved out of home and has been taking the first steps towards independence. However, if his son loses his job in the first 12 months, he will not be able to get any unemployment benefits and he will have to move back home. His father cannot understand how this helps young people get on their feet to find their own way in the world. His view is that the government is simply out of touch with the way that families are living their lives.

A mother of five sent me a note the other day saying that she wants to go out and get a job herself. She has raised her children. She is saying that, if she gets a decent income, as a result of these changes she is now going to be liable to support her unemployed adult sons until they are 21. She says, 'As a woman, I feel more discriminated against now than I ever have and utterly trapped by a set of inequitable and absolutely family-unfriendly policies.' But the Howard government is not listening. It is certainly not listening to the mothers and fathers of unemployed children. It is not listening to unemployed young people. It is certainly not listening to struggling families.

It is very important to have a look at how much this government is saving as a result of this measure. When summing up in relation to the bill we have just completed, the minister said that the government is spending money. But let us go behind that statement. It is important to see who the government is spending money on and who it is taking money from. The government has been very sneaky about this. It does not give us the full treatment. It is certainly giving the parents of Australia the full treatment. They are the ones who will realise that this government is

saving money at the expense of the young unemployed and their parents.

It is true that more money will be spent on students, but it is also true that the government has cut unemployment benefits to young people. You can be sure that the young students who gain are not the same people as the young unemployed who lose. That is what is so worrying about the legislation we are debating today. They are not the same people. Young students and young unemployed have very different opportunities in life.

This government is advantaging students, which is a very positive thing. We do want to see students helped to stay at TAFE or at university for as long as possible, but, goodness me, not at the expense of the young unemployed, who are the most disadvantaged in our community. By punishing the young unemployed, the impact will be felt most harshly in those areas with high youth unemployment. It will not be felt in those areas where we have a high proportion of young people at university. It is not as if these things are spread evenly across our suburbs or across regional areas. That is just not the case.

There will be 47,650 young people who will lose as a result of this government's cuts to unemployment benefits to young adults. We do know that those benefits will be cut in very concentrated areas in the cities and in the regions. We all know that unemployment is concentrated in particular parts of this country. It is those parts of our cities and those parts of regional Australia that will be so hard hit by the changes. We also know that it is in those high schools in those areas of our cities where we are struggling hardest to keep young people at school. In this area as well this government tried to take a big stick approach to young people rather than a positive, encouraging approach.

Figures in this area really tell the tale of what can happen when you have a positive approach. When Labor came into government in the early 1980s, school retention rates up to year 12 were just over 36 per cent—that is, 36 per cent of young people were staying on till the end of school. We put an enormous amount of encouragement into keeping young people at school. We did not take the big

stick to them and tell them that if they did not go to school they would not get any form of income support. That was not the approach we took.

We took a positive approach. We made it clear that you would get enormous benefits by staying at school. Ten years later, school retention rates to year 12 were over 77 per cent. That is a massive improvement in keeping young people at school. This government has only been in power for two years and we have already seen school retention rates fall to just under 72 per cent. It is already coming down because of the attitude of the Howard government, aided and abetted by many of the state governments, certainly the government in my state of Victoria.

That is a massive reduction in school retention rates in two years alone. What was this government's response to this reduction in retention rates? It was to just get out the big stick and cut the funding to government schools, reduce the opportunities for young people to stay at school and then threaten to take their unemployment benefits away from them if they refused to go to school. That approach will not be one that will see retention rates at school improve. It will have a negative effect.

As I said in summing up the previous bill, we are pleased that the government finally saw sense and recognised that, for some young people, school is just not the place they want to be. It does not matter what size the stick might be that the government takes to them, they will not go to school. Certainly, if the government is not prepared to put the money in to help them stay at school, it is not the place they should be. It is fortunate that the government saw sense and agreed that young people could be in case management and that, where they were actively seeking work and in case management, they would be able to get unemployment benefits.

Thank goodness the government did see sense in that regard. We can only hope that, in considering future allocations to education, the government sees sense in that regard and realises that the only way it is going to encourage young people to stay at school to get the benefits of education is to put a decent

level of funding into secondary and tertiary education so that the opportunities that these young people need are there.

This will mean that, with the case management amendments having been agreed to, at least there is a safety net available to protect young people from falling through the net completely. What we would have had is these young people disappearing from the statistics altogether. They would not have been counted as unemployed. They would not have been counted as school students. We would not have known where they were or what they were living on or what their situation would have been.

We still have a tragic situation, though, with this bill, because it will be the case that over 47,000 young people will lose as a result of the changes by this government to the youth allowance. The government is saving money at the hands of the nation's parents and young adult unemployed people: 12,800 young people will have their benefits cut completely. They will get nothing even though they are unemployed and actively seeking work. Some 33,600 will lose some of their payment. These are young people from low to middle income families for whom, if their parents do not step in and plug the gap, the real risk and the hidden costs—because this government is not going to want to acknowledge—will be rising rates of crime, poverty and, I am sorry to say, increases in abuse.

This will be the reality of this government forcing the responsibility of youth unemployment back on to the shoulders of the parents of this country. It is a retrograde measure, particularly when we tie it together with huge concentrations of unemployment in particular places. It will lead to increases in disadvantage and, hopefully, at the next election the parents of these young unemployed people and the young adults themselves will make very clear representations to the government about it at the ballot box.

**Mr DEPUTY SPEAKER (Mr Mossfield)**—Is the amendment seconded?

**Mr Martin Ferguson**—I second the motion and reserve my right to speak.

**Mr WAKELIN (Grey)** (9.09 p.m.)—It is with significant pleasure that I rise to support the government's Social Security Legislation Amendment (Youth Allowance Consequential and Related Measures) Bill 1998. In terms of the principle of the government's approach, it is worth while revisiting what our priorities are as a government. The government's priority is jobs. The government's highest priority is to provide young people with jobs. Both sides of politics know that early school leavers are almost three times more likely to be unemployed than those who persist and stay on in school and go on to further training, tertiary studies, et cetera.

The new youth allowance will make it more attractive for young Australians to study and train rather than be enticed, if you like, onto the unemployment benefit. Under the coalition, there will be 100,000 new apprenticeships and traineeships this year. It is clearly not a savings measure, and I note the member for Jagajaga (Ms Macklin) acknowledged that in her speech. In fact, more will be spent on young people to the extent of \$25 million on this program in the first year.

As of 1 July 1998, the single youth allowance will provide income support for young people, including students, those looking for work and those who are sick. Rental assistance will be paid to 60,000 students who have to live away from home to further their education or training. This will be a particular benefit to students from rural and regional Australia. Some 10,000 young people who are genuinely homeless or independent will receive the allowance plus rent assistance. The youth allowance replaces Austudy, newstart allowance, youth training allowance, sickness allowance and more than the minimum rate of family payment for secondary students in a variety of age groups.

Looking at Labor's record, Labor provided financial incentives for young people to leave school and go on to the unemployment benefit. Regrettably, there is a very strong belief in the community, regularly brought to my electorate office, that Labor's policy actually encouraged youth unemployment. Under the previous government, youth unemployment increased to a staggering 32.3 per

cent. That was more than five per cent higher than when they came into office.

I presume the New South Wales government was involved with the states and the Commonwealth endeavouring to have a look at what these statistics comprise. There is little point in this place taking political points on youth unemployment because we have used it against each other—that is, both sides of politics. I have not done any research in detail, but I am particularly interested in what the Commonwealth and the states are looking at in terms of assessing the youth unemployment figures. There cannot be anything much more demoralising than young people in Australia constantly hearing these rather pathetic figures.

Moving on, it is worth looking at the reaction. I will give a few quotes which I think are very worth while. The *Herald Sun* on 9 June 1997 stated:

The federal government's reforms to youth welfare payments are welcome. This age group is much too young to begin life in an environment which could lead them into the mistaken belief that the world owes them a living.

The *Daily Telegraph*, 18 June 1997, stated:

The federal government's new youth allowance program will end the roting of using the dole as pocket money for a few months and possibly a few years of loafing around.

The *Financial Review* from a similar period in 1997 stated:

The federal government's decision should be vigorously applauded. The changes are weighed toward solid Australian values of responsibility and hard work. The existing system has clearly not worked.

I will finish with a quote from the *Sydney Morning Herald*. The Brotherhood of St Laurence stated:

We have been asking for better support for this group of young people for many years and finally their needs are starting to be recognised.

There we have the youth allowance, Labor's record, and the public response over the last six to nine months. Obviously it has been out there in the community and much discussed in that period.

In the brief period remaining to me, I will just give a few personal observations. I have

four children, all of adult age. My eldest child, after a couple of years at university, found that the direction was not quite what she was looking for. She came back home to refocus and worked and became an enrolled nurse for no pay. She took a job as a barmaid in the community, working up to 80 to 90 hours a week. There was quite a remarkable transformation in my daughter in that she suddenly found a focus, a clear direction, and she discovered her independence, her self-reliance and her self-respect. I would suggest that it was really a turning point in her life.

The next I will mention is my eldest son, who had a couple of false starts. He became unemployed and then gradually rebuilt his life. He developed skills in journalism with some self-employment thrown in. Now he is doing quite well in his journalism at a city newspaper. Once again, he basically built it from his own determination.

My second son had limited support from his parents—that is, his mother and me. He got work as a bouncer—he is a fairly big lad, so he was able to do that all right. He played a bit of football and gradually built his life to where he is now, which is in steady employment. My third son is currently at university. He has created a lot of his own resources by doing the night fill at Bi-Lo, a local Adelaide metropolitan store.

I guess that is the picture for many Australians. We talk a lot about low income earners. I suggest to the House that there are many of us who have been low income earners as parents who have watched, and agonised over, their children growing up to see what they might become. For me, there is absolutely no substitute for seeing my children get their independence, their self-reliance, through actually getting out there and having a go from the age of 15, 16, 17 or 18. I am sure this package of youth allowance does offer many positives to young people, but there is still that sense of independence and sense of self-reliance that I am sure the government is trying to encourage in young people which will develop those young people with the sorts of values that will serve Australia well in the future.

The bill is well structured. The principles that I have indicated are well known. As has been said by the member for Gilmore (Mrs Gash)—I will not repeat it, but I will say it in percentages to remind people—of the 560,000 young Australians who are recipients of income support from the Commonwealth new youth allowance, 64 per cent will receive the same level of payment, 27.5 per cent will receive more, six per cent will receive less, two per cent will receive no payment because their parents earn above the cut-off point and 0.5 per cent will receive no payment because they will opt not to return to study, will seek work and will not qualify for an exemption. In all of that, remember that 416,000 of the 560,000 are students and 144,000 are unemployed or receiving an unemployment benefit.

In the very brief time available to me, I would like to congratulate the government on its preparation of this legislation, its presentation to the House and the widespread community support that it is receiving. In the context of the budgetary situation we inherited, it is quite a remarkable performance to actually be in here tonight looking at the fact that many young Australians are going to see a far brighter future by this policy, considering that we inherited that \$10 billion debt in 1996.

**Mr ALLAN MORRIS** (Newcastle) (9.20 p.m.)—I should touch, firstly, on the comments of the member for Grey (Mr Wakelin). They really do reflect so carefully and so accurately the hypocrisy that we are hearing from this government. Let us think through what he just said. He said that unemployment benefits were an incentive to leave school, that unemployment benefits encourage youth unemployment. Yet he knows, as well as I do, that when we came to government the retention rate was 36 per cent, just over a third. In other words, two-thirds of young people left school at year 10 or before. When we left government, that had been reversed. Where was the incentive? What cant and hypocrisy are we talking about? We doubled the number of people staying at school, and somehow he suggests that we gave them incentives to leave school.

That is the kind of pedagogy we are getting in this government. That is the kind of hypocrisy, deceit and dishonesty we are seeing. We are seeing it day after day, week after week. They think that, if they keep repeating it, it will make it true. It does not make it true. That is not just false, it is malicious.

There are similar things about the extra money. He did not say how much the government cut previously. How much was saved in Austudy by extending the age of independence to 25, so a young person starting a university course at 24 would be dependent on their parents until they finished perhaps four, five or six years later? How much did they save on that? The 100,000 apprenticeships they are talking about have been rebadged, given a new name; therefore, it makes it a new program. It does not increase the numbers. This is the kind of gross cant that we have become so used to.

What the government is doing is not just dishonest and it is not just a bit of fudging around the edges; it is massive deception on a massive scale. I am quite frankly sick to death of it because what it says is, 'Here is one more group we can victimise. Here is one more little group who can be got at and whom we can blame.'

In other words, government members are saying that youth unemployment is all the fault of young people. Government members are saying that these kids would all have jobs if they got off their butts and did something. That is what the previous speaker, the member for Grey (Mr Wakelin), was saying. Government members are saying, 'It's the fault of the unemployed young people and, worse than that, it is the Labor government's fault because it gave them some money.' We attempted to give them some self-respect, some sense of dignity. Unemployment is a matter of choice, according to the government members. Tell that to the 900,000 people out there without jobs. Tell them it is a matter of choice, and particularly tell those young people who are the most vulnerable.

I think it is interesting that last week we were debating the aged care and residential care legislation and this week we are debating

the youth allowance legislation. Someone once said—and I forget the wise person who said this—that the best way to judge a society is how they treat their young and their old. I tell you what: how this government treat their young and their old is pretty abysmal.

Western society has gone through massive changes in the last two or three decades. The nature of work has changed, the kinds of jobs people do have changed and the nature of families has changed. Across the globe, we are seeing countries and governments grappling with the speed of change, and it has been difficult. We have been forced to refocus our education systems, forced to rethink what we mean by society and forced to understand the alienation that is taking place. We have watched family breakdowns occur at an increasing rate, and that has generated instability. We have seen the relatively recent phenomenon of homelessness, the issues of drug and substance abuse and a whole range of other social changes. This is not just in Australia; this is across the globe. Whether one reads the English press, the German press or the American press, one sees similar phenomena occurring. They are occurring in different manifestations, but the kinds of changes that are taking place are remarkably similar.

We in government took the view that these changes needed to be understood and accommodated so that the sense of impermanence was not made permanent, so that these changes were seen to eventually be absorbed and accommodated by a stable society. In that context, unemployment benefits are still seen by this side of the chamber as a temporary matter. They are not and must not be accepted as a permanent state. Society's objectives must still be to actively and fully engage all of its people who wish to work. That must be the objective. The day we start to accept that unemployment is a permanent situation—particularly for young people—and that there is no support available to correct it is the day that this society starts to devour itself, and that is what this government has just done with this legislation. It is saying to these young people, 'It's your own fault. There is no help. You and your parents can look after

yourselves. You are not part of our society.' They are being rejected. There is no sense of responsibility for what is occurring. There is no sense of acceptance that society creates the jobs, not the family. The responsibility has been transferred from society back to the individual, and it will be putting individual against individual and family against family. The generation of hate-mongering and scapegoating that is going on now has substantial long-term consequences.

In the same way, the government are saying to old people and their families, 'If you need a nursing home, bad luck. You've got to pay for it.' Only a small number, less than half the number who need access to nursing home care, will get it. For the rest of them, it is up to their families. The government are saying that it is not their responsibility. In the same way they are telling that to old people, they are saying to young people, 'If you can't get work, that's your own problem.' For a very small number—those in a very low income household, which is classified as below \$23,500 for 16- and 17-year-olds in full-time education and training—there will be help. The idea somehow that that is, therefore, a reasonable income is preposterous, and we know it.

The numbers show that 12,000 young people left school at age 16 and 17. The idea somehow is that they left school because there was some incentive and that they are unemployed because they want to be. The idea that school or full-time education is the right place to be for every 16- and 17-year-old has never been put forward by any government in the past. Never. In fact, we were being criticised in government for encouraging people who perhaps should have been leaving school to stay at school. Full-time education and training means either being at school or being in full-time TAFE. So if this government were in any way genuine, they would be associating this program with the other side of the program—which is providing places for those 12,000 16- and 17-year-olds who are in a low income household. For them, there will be no funding at all unless they are in full-time education or training.



But do we see any programs at all to actually accommodate them? Do we see extra money for schools? In many cases, these young people are problematic. You can take the incidence, for example, of the early onset of schizophrenia, and let me quote some figures. The average age for the diagnosis of mental illnesses is below 20. The mean age for the diagnosis of many mental illnesses is 16. The percentage of young people having mental health problems is not high. It is not sufficient to warrant them being treated as a medical problem, but it is certainly enough to cause difficulties in a school context.

The idea that somehow every young person under 16 or 17 should stay in full-time training or at school has never been put forward. In fact, the government itself does not even say that. It does not even pretend that; it just ignores it. What it does say is that, unless they are in full-time education and training, there will be no programs at all and, for the programs that are there, the funds will start to cut out when the income reaches \$23,500.

We are going to see a massive problem for parents with 16- and 17-year-olds who are unable to access education and training because of their personal circumstances, whether it be a learning disability, a behavioural problem, a mental problem or the fact that they have been the victim of a family breakdown, which traumatises so many of our young people in so many cases. Whatever the reason, the fact is that there will be no program at all, full stop. For those who can access education, there are no places anyhow because the government has no funding out there to make sure that these people are picked up. So it cuts out the support and locks the door on access.

Then the government starts to tell us what a wonderful new innovation this is, how good this is and how this is going to help. This legislation is designed to create non-persons. Those families in this situation with children who are 16 and 17 years of age are going to face great problems at a time of great family stress. Anybody who has had children go through that age knows how difficult it can be for so many young people, both male and female.

We look at the figures on youth suicide and to a person in this place we all express our horror and shock. We say, 'What's happening to our young people? What's causing it?' I chaired a parliamentary inquiry into youth homelessness and I have a fair idea of what causes it. This will not help. This kind of rejection and alienation will not help. Saying to a 16-year-old, 'You are on your own. If your parents won't feed you, tough luck. If your parents can't afford you, that's your own problem and theirs,' is great for their self-esteem and for making them feel confident and optimistic!

These problems are caused by a sense of helplessness and hopelessness. They are being induced by a hapless and heartless government. From now on, every time I hear one member of the government talking about youth suicide, I will be saying, 'Hypocrite, hypocrite, hypocrite and poppycock!' How dare they come in here and start talking about the problems of youth when they are the cause. They will be causing, increasingly, problems in our families now.

Of course, the other group affected by this legislation and these changes is the 18- to 20-year-olds. Again, they have a similar problem, but in some ways it is of a worse nature because, by the age of 18, 19 or 20, most younger Australians have a fair sense of independence. They have a fair idea of who they are, what they want to be and, in many cases, they are still living at home. The average age of children leaving home is increasing; it is now almost 18. But the majority of them will not want to live at home. They will want to express their independence in some form. If they are not in full-time training and education and under Austudy, they will be looking for work. And they would love a job.

There are very few Australians who do not want to have a decent living standard, a decent car, a decent set of clothes and to eat decent food. I always find difficult the idea that people somehow choose to live in poverty. I do not know many people who want to live badly. I do not meet many people who say, 'I live in poverty by choice. It's a great idea and I think it's wonderful; I recommend

it to all my friends.' I do not meet many people like that. I do meet some people who say, 'I have spent the last year looking for a job. I make the most of what I've got. I don't have much choice about it, but I make the most of it and put a bright face on things.' But I do not recall meeting anybody who chose to live in poverty. Yet the implication here is that people make that kind of choice.

Families with offspring of 18, 19 or 20 years of age who are earning more than \$23,500 will start to find a decreasing level of community support. In other words, they are no longer young Australians; they are still dependent kids. The government is telling young people that at 19 and 20 years of age they are still kids and that their parents will look after them. Let me tell members of the government: that will come back to haunt many families because both the parents and the children are trying to negotiate and develop a pathway to independence. That is what they are trying to do under difficult circumstances with a massive shortage of employment, but they are trying to negotiate a reasonable, sensible level of independence for those young Australians who then become the next generation. What the government is saying to those people is, 'You are not part of our society; we don't feel responsible.'

This victim bashing, blaming and scapegoating has become so common, and we are seeing it across sectors. We have seen the cuts in funding to residential care for the aged. We have seen the cuts in funding to child care, and that has been horrific and will have long-term implications for the way in which we function as a society. We have seen the cuts in funding for employment support. Working for the dole, of course, has been one of the prime examples, and we note from the figures that a substantial number of the relatively small number of people who are being piloted are in fact being forced to participate because it is undignified and demeaning. We have seen increases in HECS charges for education. We have seen cuts to university funding, and we have seen cuts to TAFE. We have seen cuts in the very area we are hearing about.

We are seeing the increasing exploitation of young people in the work force. We all know about it. I defy anybody in this parliament to tell me that they are not aware of a case of a young person who is working for below the award or not getting overtime or not telling the taxation department or still getting some social security. I defy anybody in this place to tell me that they have not heard of that happening. Let me tell you that exploitation is increasing. The more we make young people vulnerable, the more they will regard our laws as stupid and the more they will defy them. You make them defy the laws on taxation and then they start to defy the laws on property. Laws are all the same and we are the ones who make them.

If this parliament makes stupid, uncaring, thoughtless and insensitive laws and tells young people they should respect it, we know what their answer will be. The increased exploitation in employment of those young people by their elders, and in many cases respected business people, should be a source of real concern to this parliament. This government says, 'It's their own fault. They can negotiate their own wages.' The government's whole body language and the message it gives to both young people and employers is that employers should pay them as little as they need to. Young people get as much as they can negotiate. That is what this is about. We are seeing here the working poor, but it is unofficial. In America it is official. Here it is still under the counter, but it is happening and in increasing numbers.

What is the long-term effect of all this? We have changed the structures. We are changing CES. On 1 May we will see a massive change there. Hundreds of thousands of people will no longer have access to income support. We are seeing cuts to things such as AYPAC, the Australian Youth Policy and Action Coalition. This organisation is being defunded so it cannot help coordinate, guide and advocate policy on behalf of young people. We are seeing cuts in all the support systems out there that are trying to negotiate, argue and understand the problems of youth. We are seeing access to the homeless program and the various other schemes that were available

to try to help families in difficulty being chopped around. We are seeing cuts in the Family Court. We are seeing charges being placed on counselling and a whole range of activities that were supposed to help families. We are seeing cuts in funding for mediation services that, again, were helping families in difficulty. On one hand we are cutting direct funding and, on the other, we are removing the structures that help hold our families together, albeit insufficiently.

What this government is about is dismantling, piece by piece, both the social structure and the collective responsibility for our individuals—it is saying, ‘We share with you your problems’; it is saying to a family with young people, ‘We share with you. If they can’t get work, we take some responsibility.’ This is a government that says, ‘We have no responsibility. It’s all their own fault.’ Speaker after speaker has said that we should blame the victims—sheet it back home to them—and that is disgraceful.

**Mr MAREK** (Capricornia) (9.40 p.m.)—I took a few notes as I listened to the speech by the previous speaker, the honourable member for Newcastle (Mr Allan Morris), and I have to question some of the points he made—whether he was actually informed or whether he spoke merely to pass the time. What concerns and worries me about this place is that people come in here and comment on various issues and, ultimately, they are absolutely wrong. The previous speaker broached a few topics, particularly the extra money for schools. What he said was misleading. We announced last year \$42 million extra to assist schools to absorb the extra students. His statements and comments were baseless. One has to question people when they speak on these topics.

Regarding the youth allowance, the previous speaker indicated basically that if the parents of young people would not feed them it was tough luck. Again, that was completely misleading. A safety net is in place to secure these things. Irrespective of whether youth are disabled, have left home or have been kicked out of home—whatever it is—there is a safety net in place and they will receive support. The member’s statements were baseless.

People like that should be condemned for taking such a line.

I have encouraged many local communities in Capricornia to present me with options or the concerns they have regarding the introduction of the new youth allowance. As a result, I am in receipt of a number of submissions from the communities detailing their concerns. I have a letter listing the concerns of both parents and young people. Many of them come from the township of Moranbah, which is a mining town in the north of my electorate. These people said that, overall, they considered the introduction of the youth allowance to be a step in the right direction. However, they did raise concerns about the impact and effect the youth allowance will have on families—the educational system and the social impact on rural areas. I think that fair is fair: they are prepared to bring these points forward and I have an obligation and a responsibility to raise some of them today.

**Mr Albanese**—Hear, hear! Vote with us.

**Mr MAREK**—I certainly will not be voting with the Labor Party on this. Ultimately, it gets down to the fact that we can keep doing the same thing all the time and we do not go ahead. That was the problem with the previous Labor government’s 13 years in office. It did the same thing over and over. I guess it comes back to the point made by the member for Batman (Mr Martin Ferguson) about painting rocks. We have to put new initiatives in place. We have to give new incentives so that the youth of this great nation have an opportunity to move ahead. We cannot keep doing the same things over and over again. We have to give them new opportunities. That is what this government is all about.

Some of the concerns expressed included the effect the youth allowance will have on families with young people, those experiencing family difficulties. It was felt by the group that many 15- to 17-year-olds will be severely disadvantaged if the youth allowance is to be paid to their parents, and/or if they are no longer assessed as independent they may be forced to return to a difficult family situation for financial reasons. I will go through all the points that these people have

brought forward. I am more than sure that the Minister for Immigration and Multicultural Affairs (Mr Ruddock), representing the Minister for Social Security (Senator Newman), has broached these topics, but I will put them on the record so the opportunity for them to be addressed is there.

We must have a contingency plan in place to deal with this type of problem because some people could get caught out. We have to make sure that a safety net is in place. It was suggested that the government should take this factor into consideration and look at ways to assist members of these families, especially in rural areas.

**Mr Forrest**—Hear, hear!

**Mr MAREK**—That is right; thank you very much. Youth in rural areas in particular could have to return to a difficult family situation.

Concern was also expressed about the further drain of young people from rural areas to the cities—because of the lack of jobs, training facilities and volunteer activities—and in particular about the effects on the towns as a result of this drain. Our rural towns are struggling to retain people in their midst. When jobs go, so do the people. A number of towns in Capricornia have survived simply because of the mines. But, as we all know in this House, the mining industry is facing a downturn because of the Asian financial crisis and the deflated price of commodities, and workers are being laid off.

Unfortunately, there are no other jobs in these areas because they are basically straight-out mining towns. That is what they do. When the mine is gone, the town is gone. It is as clear as that. There are no other industries; they are strictly mining towns. As we see a downsizing in the mining industry, we see some of these towns start to fall away as well. Parents have to stay because that is their place of work, and the youth obviously have to move away. As I said, there are no other jobs, so the miners sell up and move to a town where they can get a job. When hundreds of workers go this way, the town suffers. Of course, the other businesses in the township close down due to lack of trade. In the end, you end up with a ghost town scen-

ario, and it is very difficult to keep young people there or even to attract anyone to the town.

Concern was raised about the actual financial capability of ordinary and lower income families with several children to support and how they might support all of their children adequately, especially those wishing to undertake tertiary study. It was felt that these families will be less able to support their children financially due to relocation costs, costs of accommodation, assisting with the purchase of text books and living expenses, as well as the increase in HECS fees. They feel that the result may well be that the education will be elitist and that these people will not be able to access a reasonable education for their children.

Another point made by the people of the mining town was the possibility of discrimination against young people whose parents are higher wage earners, such as the people in the mining industry. Even under the increased income allowable under the youth allowance, higher wage earners will continue to be discriminated against, despite their higher tax contributions. While wages are high, the level of debt is equally high. Most miners cannot afford to support their children to relocate initially and cannot assist with everyday expenses to undertake training or jobsearch activities. I raised this matter during my last speech on the youth allowance when I said that I would like to see the income allowable raised to \$50,000 instead of the \$41,000 proposed. At least this would provide some relief for the higher wage earner.

With regard to the education system, they had negatives as well. Concern was raised about the stress and emotional effects during the transition period of re-entry into the education system by young people, particularly those returning to complete school to year 12 to fulfil their mutual obligation. These young people have already chosen to leave the schooling system. Together with their fellow students and their teachers they will need extra assistance to cope with these changes. This could take the form of education sessions for existing students and extra training or behavioural management training

to include more discipline to help teachers cope with disruptive students.

Concern was also raised about the effects within the classroom and school situations themselves when students aged 15 to 18 years attend school solely to obtain the youth allowance. It was felt that further means of managing difficult behaviours and more disciplinary measures will need to be implemented for the benefit and safety of both students and teachers.

I could not agree more with my constituents as far as some of those points are concerned. They are valid points that were raised. As I said, we will put them on the public record. Then we will have the opportunity to address the issues and take some of the heat out of the debate. I guess that is one of the biggest problems with any of these issues: once something new is introduced, particularly in relation to change, people are somewhat concerned about what they will end with. So the idea is to answer all the questions and take the heat out of the debate. I congratulate the minister on having the goodwill to be able to do that.

There was also a suggestion that the education system employ specialist teachers to teach living and budgeting skills, especially to those students who are not academically minded. In relation to teaching respect, discipline and self-discipline, there was a suggestion that all young people under the age of 18 undertake two years of military training or the like—

**Mr Albanese**—Ha!

**Mr MAREK**—in order to learn respect for themselves and others and the importance of discipline and self-discipline. This could become a category under the youth allowance. It is interesting to hear the member over here comment on that. I find it absolutely amazing that you are laughing when it is the people from the mining town who have brought up these points. These are not my points of view; they are their points of view. I think it is absolutely disgraceful to think that you would not give the people—and some of them may even be from your side of politics—the time of day to be able to have their points of view

heard. I find that a bit distasteful, but what more can you expect?

Once again, I raised this matter last year. I believe all young people aged 18-plus who do not have a job, are not studying at school or in further education, are not in a work for the dole or Green Corps project, should be eligible for some form of national service.

**Mr Albanese**—Compulsory?

**Mrs De-Anne Kelly**—Ask the member for Werriwa.

**Mr MAREK**—That's interesting. We actually have a situation where the member for Werriwa is interested!

**Mr DEPUTY SPEAKER (Mr Mossfield)**—I ask members to direct their remarks through the chair.

**Mr MAREK**—Thank you very much, Mr Deputy Speaker. I appreciate the fact that I am being heard in silence. I do not want to see a lot of young people running round with guns and packs on their backs, but I do want to see a more disciplined society and believe that this is one way to achieve that goal.

Concern was also raised about how the government will ascertain the level of unemployment among young people after the youth allowance has been introduced. Although this is neither here nor there as far as the other problems raised are concerned, it is something the government should consider.

In closing, I have similar concerns to my constituents. On their behalf, I call on the government to note some of these concerns and put in a form of safety net to make sure these concerns do not deteriorate to the detriment of our communities. I and the people of Capricornia believe that we must do something to address the current problem of youth unemployment and the general progression we see today of youth on to unemployment benefits. We must make a significant change or ultimately nothing changes. As I said before, we must do something. I ask that we be sharp enough to address any issues that arise during the implementation of the youth allowance so that, if some youth do become disenfranchised, they do not fall through the safety net. This government does have a strong social policy. It does work closely to

community obligation. I commend the bill to the House.

**Mr ALBANESE** (Grayndler) (9.54 p.m.)—I rise to oppose the Social Security Legislation Amendment (Youth Allowance) Bill 1997 in spite of the fact that the government has accepted some of the Labor Party amendments which have improved the bill from the first time it was in this House. I think that measures such as removing the independence age for young unemployed from 18 up to 21 is a regressive measure and is one which I cannot support.

There has been discussion here tonight, including some from the member for Capricornia (Mr Marek), who has articulated over a period of 10 to 15 minutes a critique of the problems with this government's legislation. The member for Capricornia pointed out that it would bring about particular disadvantage to young people from rural areas. He pointed out that it might force some young people back into unacceptable family situations. He pointed out that young people, particularly in disadvantaged communities, could suffer from this program. He pointed out that the level of income—\$23,000 is the cut-off rate for making the parents look after their young adults from 18 to 21—was too low and that it should be increased. Indeed, he put forward a number of reasons why this is rotten legislation.

I say to the member for Capricornia that he is right in all those criticisms and that he should, therefore, vote against this legislation because it is bad legislation, it is discriminatory legislation and it is unfair legislation. Unfortunately, though, the member for Capricornia did put up his alternative, which was to introduce compulsory conscription for a period of two years for people who were not in education or in employment from 18 to 20 years.

**Mr Marek**—Mr Deputy Speaker, on a point of order: I did not say anything at all about putting forward compulsory conscription. That is his view, not mine.

**Mr DEPUTY SPEAKER (Mr Mossfield)**—There is no point of order.

**Mr ALBANESE**—I think that the member for Capricornia said that he would be very happy with the alternative vision of a society, led by the member for Capricornia, of young people who did not have a job or were not in education and training goosestepping up and down the streets of Rockhampton, in their army fatigues, with their backpacks on, all marching to the tune sung by the member for Capricornia. I put it to the member and I put it to this House that that is not an acceptable way to go.

Earlier tonight, the member for Gilmore (Mrs Gash) said, 'There've been a couple of public meetings in my electorate and the young people are not out there demonstrating; there's not this massive movement against this legislation.' That is possibly the case, but what we are talking about is that the young people most discriminated against by this legislation are the disenfranchised in society. They are those who have been left behind, who have not been able to secure a job or have not been able to secure an ongoing place in education.

The ideological view which permeates and underpins this legislation is that somehow, if you just force young people to stay in education through economic means, then they will be better educated and therefore will stay off the unemployment list and in a fake way bring down the level of unemployment. They will also save the government money because the government will not be supporting these young Australians; it will be up to struggling parents, some of whom might be on only \$24,000 a year.

After examining the provisions contained in this and in the government's previous bill, it has really dawned on me what the major difference is between the Labor opposition and the coalition government. We believe in an inclusive society. We believe that not all members of our nation are born with the same privileges. Labor seeks to redress inequality and privilege so that all Australians can have equal opportunity. Labor believes that the way to ensure equal opportunity is for the government to play a legitimate role. We believe it is the government's responsibility to provide

resources for education, training, infrastructure and jobs.

*Government members interjecting—*

**Mr ALBANESE**—The mob over there believes in an exclusive society. In their model world, trust accounts flourish as the wealthy avoid tax. People who are born with less money and less access to resources are not helped by the government. The coalition government believes that certain people must fend for themselves—young Australians, people from non-English speaking backgrounds and indigenous people.

The government likes to pretend that most ordinary Australians come from the North Shore of Sydney, have easy access to education and training, and have family trusts to look after them so that they do not need parental assistance. If they are not immediately employed, they can always fall back on that trust account to see them through the hard times—and 17 members of the government frontbench have family trusts. The fact is that this is not the case for ordinary Australians. They do not have family trusts. Ordinary Australians contribute in a positive way to society.

**Mr Forrest**—On a point of order, Mr Deputy Speaker: in terms of relevance, I am not sure whether the honourable member realises that we are discussing the youth allowance. So far, I have not heard him mention the term. He is going off on all sorts of tangents. I ask you to bring him to order.

**Mr DEPUTY SPEAKER (Mr Nehl)**—I thank the honourable member. I am sure the honourable member for Grayndler will address the bill.

**Mr ALBANESE**—Thank you, Mr Deputy Speaker, I am certainly addressing the bill. This bill would mean that parents on \$24,000 a year who have a young unemployed Australian will have to support that young person. I am pointing out to the government that not all parents will have family trusts to fall back on. In the original bill brought before the House in November last year, the government initiated changes that would leave without an income all 16- and 17-year-olds who leave school without completing year 12. This was

one of the most cold-hearted actions to date from this government.

**Mrs De-Anne Kelly**—On a point of order: the member for Grayndler is mentioning family trusts. This is a bill relating to youth allowance.

**Mr DEPUTY SPEAKER**—What is your point of order?

**Mrs De-Anne Kelly**—His comments are irrelevant.

**Mr DEPUTY SPEAKER**—I thank the honourable member for Dawson. Resume your seat. The honourable member for Grayndler will speak to the bill.

**Mr ALBANESE**—I will certainly continue to speak to the bill. Maybe the member for Dawson has a family trust as well and is upset with this.

**Mrs De-Anne Kelly**—Mr Deputy Speaker, on a point of order—

**Mr DEPUTY SPEAKER**—Order! The member for Dawson will resume her seat. There is no point of order.

**Mrs De-Anne Kelly**—There is. I do not have a family trust. I demand an apology, Mr Deputy Speaker.

**Mr DEPUTY SPEAKER**—No, I am not going to insist on that. It is the role of the chair to decide whether anything is unparliamentary. That is not unparliamentary. I suggest that the member for Dawson should not raise trivial points of order.

**Mr ALBANESE**—I certainly feel sorry for the member for Dawson if she does not have a family trust. She is out of step with her frontbench—you need a family trust to get on the frontbench of this government.

This government has totally failed to understand the reasons why young people leave school. In evidence tendered to the Senate Community Affairs Legislation Committee, the Salvation Army had a lot to say about why young Australians leave school early. Contrary to government opinion, it is not because they want to have a good time at public expense. According to some people on the other side, the Salvation Army is a radical organisation, but the fact is that it is more in touch with young Australians than this

government. The Salvation Army said to the Senate inquiry:

They flee the school system because for them school has for some years been an experience with which they are not coping. More young people flee the school system because . . . they feel they do not belong there and because they feel they are not wanted there then they flee the school system seeking income support.

The minority report of the Senate committee concluded that early school leaving was caused by a number of contributing factors which included:

. . . young people's family and emotional problems, violence and sexual abuse, alcohol and other drugs, alienation and depression, inappropriate curriculum and pedagogy and unsuitable learning environments.

As the member for Jagajaga (Ms Macklin) and other members of the Labor Party reiterated so often throughout the passage of this bill last year, the coalition government seems hell bent on hurting those in our community who most need support. The federal government's plan was to force young people to remain at school, whilst at the same time refusing to spend any money on additional resources to help the school system cope with an estimated 20,000 additional students.

It appeared that the government's only measure of success was how much money it could save. It was going to cut unemployment benefits for 16- and 17-year-olds, whilst continuing to cut education and training programs. No attention was to be paid to why young Australians left school early. No attention was to be paid to how the government could play its important role of assisting young Australians rather than hurting them.

Some of the weakest members of our society—the young unemployed—were destined to receive absolutely no help from this heartless government. It was morally imperative that the Labor Party had a victory on this point. The Senate successfully amended the legislation, providing some exemptions under the act for 16- and 17-year-olds. The government now exempts young people from the requirement of being in either full-time education or training if there are exceptional circumstances which make it unreasonable for the young person to participate in full-time

education and training—and this includes instances of case management.

Although this is a small victory for those who believe in an inclusive society and who believe that the government has a role in helping people in society, it is still a far cry from a system that treats young people fairly. The exemptions that have been forced upon the government are still at the discretion of the secretary. Add this to the government's slashing of the case management program, and the future for Australia's young unemployed looks very dim indeed.

The second major inequity that the government's youth allowance changes have brought is the decision that most young people are not independent under this legislation until the age of 21. This means that the government will impose parental income, assets and means tests for young unemployed people under the age of 21. As the shadow minister for social security, the member for Jagajaga (Ms Macklin), has already pointed out, this means that the government is effectively forcing parents to pay unemployment benefits for their children. The government is trying to shift the responsibility for supporting the unemployed to the unemployed person's family.

It can be argued that this amounts to privatising unemployment benefits by stealth. Instead of 'user pays' it has become 'family pays'. For a government that so heartily supports the idea of the family unit, this seems an unbelievable financial and emotional burden to place on the families of Australia. I would have thought that the members of the Lyons Forum opposite would have joined me in supporting the family structure by opposing the erosion of support for the family that this bill represents.

The Howard government is relinquishing its responsibility. It has slashed \$4.2 billion from education and training. It is slashing the very programs that help create and maintain employment in this country. At the same time, it is reducing benefits available to those who are unemployed. This government is not about creating jobs, and it is also not about supporting the jobless. Under the government's new legislation, 12,800 young people will lose all



their income support from the government; 33,250 will have their benefits reduced; and 1,600 under 18s will get no payment whatsoever—zero—from this government.

The difference between this heartless government and the Labor Party is that we believe that young people deserve better. We believe that all young Australians, regardless of wealth, deserve equal access to jobs, education and training. The shadow minister for education and training, the member for Werriwa (Mr Latham), stated that an ALP government would:

Reinstate and expand the Students at Risk (STAR) program, which was specifically designed to identify and assist young people at risk of leaving school early.

Secondly, Labor would:

Restore the specific equity programs for disadvantaged schools, with a commitment of additional resources, specialised programs and Labor's initiatives for a Parents as Educators program.

We would also guarantee funding for the jobs pathway program beyond the current fiscal year. We would facilitate school and industry partnerships at a local level, so that employers work with young people and with teachers, schools and structures, and the community work with local job creation to ensure that young people have somewhere to go when they leave school if they choose not to go into higher education. Further, Labor would resume the pattern of growth funding for TAFE established by the previous Labor government, which has been undermined by those opposite.

The Labor Party believes in a fair Australia with equal opportunity for all. We also believe in an inclusive society, where all young Australians have access to employment, education and training regardless of wealth and structural disadvantage. This government does not believe in an inclusive society. It believes in a Darwinian image of survival of the fittest, where government sits back and allows the free market to reign supreme.

Free market economics does not lead to a just society, or a fair one. The government has a role to intervene and assist people, particularly young unemployed people, to find their place in society. A completely free

market approach leads to a society where inequality flourishes, and where most people never gain access to the privileges enjoyed by the few. Tonight's debate has been very robust. The attitudes of the member for Capricornia, the member for Dawson and others who have been angered by my comments tonight are examples of what the division is about in this House. On the one hand the Labor Party argues for government intervention; argues for support for young Australians; and argues for job creation and income support. On the other hand, this legislation argues that young people of 20 years of age are not independent and should rely upon their parents; and that parents of 20-year-old Australians should provide income support until they reach an age of 21.

The income cut-in point is just over \$23,000, so if parents are on \$24,000 they miss out. They are seen to be somehow too wealthy—and this from a government which has been defending a minister who forgets about \$2 million worth of shares here and a couple of hundred grand made there. They forget about that. At the next election I would be quite happy to argue our vision of society as opposed to that of the member for Capricornia, who advocated tonight young Australians in army fatigues being forced to goosetep up and down the streets of Rockhampton for a compulsory two years' conscription. That is their alternative. I believe that governments should do much better.

**Mr LINDSAY** (Herbert) (10.14 p.m.)—I appreciate this opportunity to speak on the Social Security Legislation Amendment (Youth Allowance Consequential and Related Measures) Bill 1998 tonight. In my view, the youth allowance is a significant and positive social reform. From memory, it was the Deputy Prime Minister and Minister for Trade (Mr Tim Fischer) who summed up the spirit behind the youth allowance reforms. He said that it is not about putting the unemployed down; it is about bringing students up, giving them incentives to stay in school, providing training courses and maximising their skills and qualifications before they tackle the job market. I think that it is a simple but accurate way of describing what this reform package

is all about. For the first time, income assistance for students will be brought up to the level of unemployment payments. Students will also, for the first time, be able to access rent assistance.

The Labor Party does not like to admit this, but the level of income support or unemployment benefits young people can potentially access acts for a small but significant number as an incentive not to pursue further or higher education or training but rather to drop out and go onto the dole. Whether we like it or not, there are some people who make unemployment a way of life. There are some people who find it easier to pick up a fortnightly social security payment rather than work hard to find a job.

The Prime Minister (Mr Howard) outlined some of the Liberal Party's principles in this regard at the national convention in Brisbane earlier this year. Among other things, he said:

We believe that the family unit is the bedrock of our society. We believe in the work ethic. We believe in rewarding hard work and achievement.

I believe that each of these principles is tied up in what this government's youth allowance reforms are all about. We do believe in rewarding hard work, but at the same time we recognise that we have a responsibility to encourage people, particularly young people and young adults, to contribute and to engage in hard work. That is why we are tightening the activity requirements for job seekers, increasing the penalties for not adequately looking for work and introducing the job seeker diary.

Conversely, this is also why we have consolidated and simplified voluntary work provisions, allowing and even encouraging people to undertake voluntary work as part of their activity test. This is also why we have introduced the youth allowance reforms which remove the disincentives that exist in the current system which can actually encourage young people to stay on the dole rather than take up study or engage in rigorous job search activity. The *Herald Sun* newspaper got it right in their editorial of 19 June last year when it said:

Not the least of the anomalies in the system today is the fact that, in some cases, young people are

paid more to stay on the dole than go on Austudy. This absurdity ignores the reality that young people with the least education face the biggest hurdle in getting jobs.

We want to reward hard work, as the Prime Minister said. We also want to move away from the culture of welfare dependence and encourage self-improvement. One way of doing that is to make sure that income support for people engaged in further education and training is brought into line with what people can access through unemployment assistance.

Access to rent assistance removes one of the key differences or imbalances between assistance for students and assistance for the unemployed. It is estimated, as I understand it, that about 70,000 students throughout Australia, particularly those from rural or regional areas like Townsville, will directly benefit on average by about \$31 a fortnight from the extension of rent assistance.

I have some more comments to make about the rent assistance aspects of this bill and the overall youth allowance reforms. But, firstly, this consequential and related measures bill specifically addresses the needs of students aged 25 years and over who fall outside the youth allowance framework. On 2 October 1997, the James Cook University Student Union wrote to me regarding aspects of the youth allowance and, in particular, how reforms would affect students over 25 years of age. They wrote:

Since the Common Youth Allowance was announced, there has been increasing concern among mature age students as to what support measures shall be available to students over the age of 25 years.

The Government must take into consideration the changing face of student populations. University is no longer dominated by school leavers. Due to the changing employment market and the breakdown of 'single breadwinner' families, many adults are forced to retrain themselves in order to effectively compete in the labour market.

This bill addresses the income assistance needs of students aged 25 years and over. As we know, the youth allowance is replacing Austudy as well as other income support payments. The bill sets up a new payment for over 25-year-old students who fall outside the

youth allowance system. I believe that this is widely welcomed by the students of James Cook University in Townsville and their union. It too is an Austudy payment with rules and guidelines which largely replicate the current Austudy living allowance system it replaces. I am pleased the government has not forgotten the needs of these students.

Just as the government has recognised there needs to be equity between income support for students and the unemployed, down the track I would like to see the government consider taking this further so that there are clear distinctions in favour of income support for students. Once we start to positively discriminate in favour of students we will start to see the beginning of the end of a system of welfare dependence that has built up in Australia.

There are also some points I would like to raise with respect to the extension of rent assistance to students. This is certainly a very important and welcome part of the youth allowance reforms and one which is long overdue. My understanding is that students presently cannot access rent assistance under current Austudy arrangements or, if they can, only under very limited and tight arrangements. Under the youth allowance system we are putting forward, students will be able to access rent assistance if eligible. This will also apply to students who are already 25 years or over engaged in full-time study and in receipt of Austudy as of 1 July 1998.

However, I note that rent assistance will not be available under the proposed Austudy payment provisions—the new assistance payment this bill sets up for over 25-year-olds who are not eligible for youth allowance. While this is not new, I am concerned that we are creating something of a division saying, on one hand, some students can access rent assistance as of 1 July while, on the other hand, others cannot. I note that it is currently next to impossible for students to access rent assistance and that, in this respect, students who fall outside the youth allowance net will be none the worse off. This is a valid argument.

I also note that financially, at some point, a line must be drawn in the sand. Considering

the extent of the budget deficit upon coming to office, the government, with respect to these reforms, has achieved worthwhile and valuable reforms. There is only so much we can do with one hand effectively tied behind our backs by the former Labor government. The youth allowance reforms are clearly not cost saving measures. The government is actually spending more money—an extra \$25 million in the first year—than the former government. In many respects, the opposition has excluded themselves from the debate by default. They would never have contemplated these reforms, particularly in relation to rent assistance. The extension of rent assistance to students is a tremendous step forward and I congratulate the government and the Minister for Social Security (Senator Newman) for this and fully support this reform.

If we are to extend rent assistance, then let us extend it to all eligible students, regardless of whether or not they are 25 years old and already in receipt of Austudy as of 1 July 1998. As a matter of fairness and equity, when the government is in a financial position to be able to extend rent assistance to students over 25 years of age who fall outside the youth allowance boundaries, we should do so. I would ask that this be given urgent consideration as soon as possible.

In conclusion, as I have said, in many respects the opposition have excluded themselves from the debate by default. Labor, to their shame, gave more financial support to the young unemployed than they ever gave to students. The measures we are introducing through the youth allowance reforms will target incentives for people to study and to complete their schooling, because students who complete year 12 are considerably more likely to find a job than those who leave school after year 10. The worst thing we can do is to allow our kids to get a taste of receiving unemployment benefits for a couple of months for virtually no effort in return. We should be rewarding kids for sticking with education and training, not rewarding them for staying on the dole. As I said at the beginning, this legislation is about bringing students up, not bringing the unemployed down. I support the bill and these measures.

**Mr ZAMMIT** (Lowe) (10.24 p.m)—I am very pleased to enter the debate on the Social Security Legislation Amendment (Youth Allowance Consequential and Related Measures) Bill 1998 with, I must say, a growing degree of concern. I was very pleased to see some of the amendments that came before the House this evening accepted by the government, and that has made the bill a little bit more palatable; nonetheless, I do have some very serious concerns which I will relate to the House.

I believe little, if anything, has been said and done by the government to assuage these concerns other than a promise that families will be better off once the tax reform process is completed and comes into effect. That will prove to be of little comfort to those families who are affected, and they are the least able to afford further financial hardship and/or stress in their lives. The House will be aware of my concerns about categorical assurances in writing that have not eventuated, which resulted in my resignation from the Liberal Party on 9 February of this year. Therefore I place little faith in those guarantees. I can look only at what is before the House and I will detail some of these concerns that I have.

First of all, this bill will put added financial pressure on lower and middle income families with children or, more appropriately, unemployed young adult offspring who are unemployed up to age 21 and/or students up to the age of 25. I turn to the 153,750 who the government states will be 'better off financially'. However, the fine print bears examination and there are too many unanswered questions. I look forward to having some of these questions answered and, if possible, clarified by the minister in his response at the conclusion of this debate.

The coalition government states that 153,750 young people will receive more money and around 47,650 will receive less money. I turn to those 47,650 whose families will be financially worse off through the intention of this bill. Quite simply, the government is transferring the budget responsibility to the families of Australia, and to those who can least afford it, to the tune of \$125 million. I understand the theory behind

the bill: that parents who have children under 21 who are unfortunate enough to be unemployed have to take responsibility for their children. That is all well and good, but nearly 50,000 families will be worse off. No-one from the government seems willing to deny the fact that this is a cost shift from the government to the parents. Those parents who can afford it will grudgingly pay, of course. My concerns are with those parents who cannot afford it.

The real test for the government is whether they are facilitating and simplifying the current complex system or whether they have left it on purpose in such a complex state that many young people will just give up. Why not a simple payment for all who are over 16 and parental income testing for full-time students up to 21? Would that not have made it easy and less bureaucratically onerous?

There is no doubt the government is intent on encouraging young people to remain at school for as long as possible. There is no doubt that too many young people have left school at too young an age in the past, knowing that they can rely on the dole. No-one who has any feeling for these young people would want that situation to continue. However, placing the financial burden on the shoulders of parents who may be unable to afford the cost is unfair and unjust. The safety net will be removed and we will run a very serious risk of the creation of a new youth underclass.

I note there are only 2½ minutes or so before the adjournment debate starts, so I will try to complete my remarks in the next couple of minutes so that we have a smooth transition to the adjournment debate. However, I want to complete my comments by saying that I believe the editorial in the *Canberra Times* of 10 March 1998 put it best when it stated:

If a 15-year-old is not an adult in the eyes of the law (except when it comes to deciding whether to leave school or not) by 18 he or she most certainly is.

Eighteen-year-olds can vote, can be tried as adults in a court of law, drink and smoke, rent a house and drive a car. They can earn a wage and pay grown-up income tax on it. For the most part the government is happy to regard 18 and 19 year-olds

as fully fledged members of society, with the rights and responsibilities of adults. Yet when it comes to the proposed Youth Allowance, an 18- or 19-year-old is suddenly presumed to be a child, and their parents are presumed to be the primary providers, connected to their grown offspring by a financial umbilical cord. There are no compensating tax or other benefits by which Government could argue that there is no net increase in costs.

I reserve my right to be critical of this bill until I see what provisions the government proposes in the forthcoming budget to ensure our fellow Australians who are struggling with the cost of day-to-day survival are not forgotten.

Debate interrupted.

#### ADJOURNMENT

**Mr SPEAKER**—Order! It being almost 10.30 p.m., I propose the question:

That the House do now adjourn.

#### Child Care

**Mrs CROSIO** (Prospect) (10.29 p.m.)—In today's *Daily Telegraph* there is a story regarding a submission prepared by the Penrith City Council for the Senate Community Affairs References Committee's inquiry into children's services. It makes for depressing reading. According to the council, the Howard government's demolition job on child care has had the following effects on struggling working families in Penrith—in the seat of Lindsay I might add. Fees have increased by approximately \$6 a day; 47 per cent of families previously using the council's centres have resorted to caring for their child at home; 181 families have withdrawn their children from care altogether; 183 families have cut the number of days their children attended care; and the centres themselves are skimping on food and services and have cut staff by 10 per cent. My electorate is not far from Penrith, and I can tell the House that the child-care situation there is just as brutal.

Fairfield City Council, which covers the majority of my electorate, has also prepared a submission for the Senate committee on the state of its child-care services. I would like to read into *Hansard* some of its contents. They say that fees in centres have now increased by an average of 26 per cent, past the level of affordability for most families. Fees are

currently averaging \$176 a week for nought to five-year-old child care. An indicator of affordability for Fairfield was when fees were \$150 per child per week and the centres were full.

During the last two months, 123 children either exited council services or did not take up offered enrolment due to higher fees. In exit surveys, parents have indicated that, due to the effect of fee increases and changes in the child-care sector, they are either leaving the work force, have ceased looking for work, are returning to being on the sole parent's benefits or are working part time, at night or on weekends. Long day care vacancies have now increased by 93 per cent in one year. In 1997, there were 46 vacancies in 10 council long day care centres. Currently, there are 627 vacancies in the same 10 centres. There are 317 vacancies in family day care centres operated by Fairfield City Council.

In 12 of the centres, service delivery has been reduced dramatically. This has included a reduction in hours of opening, reduced staff numbers, the removal of cooks and reduced administration hours. Meals are now not prepared in two centres. Equipment replacement has been eliminated from budgets. Parents must raise the funds to purchase equipment, creating an even greater strain on family budgets.

When operational subsidies dry up for outside of school hours care on 27 April, fees will be increased by a minimum of 30 per cent, with some centres having to raise fees by a massive 130 per cent. As has been the case with the council's long day and family day care centres, families who cannot afford care at these new rates will seek alternative care arrangements. As they leave, the fees will need to be increased to cover costs, causing more parents to leave and bringing more centres to the verge of closure.

One vacation and before and after school care centre located at William Stimson Public School in Wetherill Park has now already closed. At least one other is about to be closed and other services in Fairfield City will be closing down components of their service such as before school or vacation care, which will in turn make that centre less viable.

No long day care centres have closed so far but three nought to five-year-old centres are operating at one-third of their capacity—an extremely critical level. Also, they do not have the funds to pay out equity in building or staff entitlements. The quality and frequency of interaction between staff and children have been reduced as staff numbers have decreased. The number of children attending on a part-time pattern has increased. Therefore, the staff are spending the majority of their time settling children and reassuring parents rather than providing a stimulating learning and social environment.

Staff training and development has all but been eliminated from budgets. Eight teachers' positions have been lost over the Fairfield local government area recently. Children have less continuity of care as some staff are now employed casually, working only when fluctuating child numbers require, in the place of permanent employees. The inconsistency of care has a negative impact on children's routines, particularly those under three years of age, and leads to unsettled behaviour and increased stress on staff and parents.

Staff have now been forced into focusing on marketing the centre in the local community to drum up business rather than working with the children. Less qualified and inexperienced directors have been employed to try to reduce costs. This is the predicament that the Howard government has brought about. It has brought this nation's once proud public child-care system to the brink of collapse. Sadly, the council's claim that none of its long day care centres have been forced to close should have been made with the caveat 'until now'.

Tomorrow, the council operated long day care centre at Villawood North in my electorate will close its doors. I will be making sure that every parent who sent their children to that care centre—indeed, every family in my electorate and throughout the rest of my electorate—knows that it is the Howard government which is to blame for bringing about such a truly awful state of affairs. I will continue to remind them all the way to the election.

### Trade: Asia

**Mr BARRESI** (Deakin) (10.34 p.m.)—Many years ago the poet John Donne wrote, 'No man is an island.' While Donne had Europe in mind, his keen observations hold true today as we consider our position and role in Asia. In the 21st century, wealth creation and economic activity will continue to grow. Our trade with nations such as Indonesia, Thailand and South Korea, to name just a few, will be an ongoing source of the expected growth. Some from Deakin have questioned Australia's participation in the International Monetary Fund's rescue packages for our Asian neighbours.

The scaremongering and negativity of various individuals and fringe groups do not diminish the importance of Australia's continuing role in our region. In fact, our participation adds to the already strong economic, historical and cultural ties. In contrast, Deakin businesses have demanded that Australia is committed to and seeks bilateral trade opportunities. Thanks to the hardworking Minister for Trade (Mr Tim Fischer), a reordering of our trade priorities has not been at the expense of multilateral trade outcomes. As this morning's *Australian* indicated, the coalition's trade policies are producing results.

We also assist our regional neighbours through organisations like the United Nations and NGOs. Working cooperatively at this level adds value to our international reputation. Recently I had the pleasure to farewell a contingent of young Australians who were leaving to work in Thailand for two years. As members of the Thailand-Australia young ambassadors program—TAYAP—they will forge stronger trade, cultural and social ties. On a number of occasions last year, the ill-informed criticised the government for being a responsible neighbour. The proponents of fortress Australia condemned the government for contributing to a program of regional assistance.

Such talk is naive in the extreme and works against the thousands of Australians relying on exports to make a living. A number of my constituents were conned. They believed that Australia was giving cash and, quite literally, bailing various nations out of the economic

poorhouse. The public record is clear. We did not act alone. Japan, China, Hong Kong and Malaysia all took part. To suggest regional assistance is not in Australia's interests is utterly wrong. After all, who is buying hundreds of Toyota Camrys that are made in Victoria? Who is purchasing hundreds of thousands of dollars worth of airconditioning equipment from a business based in my electorate of Deakin? It is the nation of Thailand.

These are just two local examples of how a government is acting responsibly, promoting economic activity and safeguarding Australian jobs. We have also heard that over 300,000 Australians at the moment are working for Japanese companies here in Australia. If you add the various other companies with head offices in South-East Asia, we could very well see that figure doubling.

Australia is taking part in standing up to be counted. Australia is being responsible in its International Monetary Fund package. I speak about this because of the inability last week to speak on the bill. We are helping others, yet at the same time we are gaining tangible benefits for ourselves. Let there be no mistake: our economies are more intertwined than ever before.

Last year, in Melbourne's eastern suburbs 196 companies received over \$11.5 million in export market development grants. A greater proportion of those companies would have Asian trade links. Every one of these companies represents jobs—jobs that are critical to the people of Deakin, jobs which they rely on in order to make sure that their economic security and their dreams for their children and for their families are realised.

In a trade sense Australia is not an island. We cannot afford isolationist policies. Rather, we must engage with other nations and promote ourselves for the sake of existing and future jobs. Those from the other side who speak of an isolationist policy, who decry Australia's effort to be part of a rescue package, are speaking out of ignorance and total misunderstanding of the facts of the situation. I commend the Treasurer (Mr Costello), Mr Tim Fischer, Mr Alexander Downer and the government for their excellent effort in making sure that companies in the eastern suburbs

of Melbourne continue to thrive in what are proving to be fairly unstable times for our near neighbours.

### Aged Care

**Mr HOLLIS** (Throsby) (10.39 p.m.)—Last week I spoke in this House on aged care. I said then and I repeat again tonight that the government, far from providing reassurance, comfort and dignity to the elderly community, has caused enormous fear, pain and confusion. The *Sydney Morning Herald* today published a very interesting article which said, under the heading 'Wealth keeping elderly out of homes':

Some nursing homes are deciding which new residents to admit on the basis of how much money they mean to the home rather than how much care they need.

Last week I referred to an 85-year-old woman who is waiting for hostel placement. She fits this circumstance and it is utterly disgraceful and the Howard government is totally responsible. I personally know this woman. She is no longer able to live alone. She is frightened, feels vulnerable and requires companionship which can be offered only in a hostel.

Prior to October 1997, under the former residential classification, this woman would have attracted a subsidy for a hostel. Today, since the introduction of the new residential classification scale, she no longer attracts a subsidy and as a result is not considered a priority for hostel placement. This woman has been told by hostels in my electorate that she may have to wait 12 months or more for hostel placement. How does anyone try to explain to a vulnerable 85-year-old woman that because she does not attract a personal care subsidy she is unable to be placed in a hostel?

This 85-year-old woman recently received respite care at a hostel and was very happy and enjoyed her time there. Unfortunately for this woman, she actually believed that she would be staying in this hostel. When she had to leave it was upsetting and disappointing for her. I have spoken not only to this woman but also to her family. She is able to do things for herself and does not require constant personal care. But she does require companionship

with people in surroundings in which she feels safe.

She currently resides with her daughter and family in very cramped conditions. In fact, she has to share a bed with her daughter. This is not an acceptable way of life for anyone. This woman's daughter is a nurse working full time. Other members of the family also work full time and as a result cannot offer the care and companionship she requires. This family now faces a difficult period. This woman is going downhill, unable to sleep or cope, while she waits for a hostel place.

I do not believe that there is any distinction between someone who needs personal care and someone who needs social care. One leads to the other. This 85-year-old, I believe, is in need just as great as someone who has a physical need. I have made appropriate representations on her behalf and can only hope the outcome is positive.

What makes this whole episode rather sad is that the 85-year-old woman to whom I have referred has a house to sell and therefore would become an accommodation bond resident. What is this government trying to encourage? Abuse of older people or granny dumping? That is what you crowd are into—granny dumping as it exists in the United States. You are all granny dumpers over there. Elderly people have made a lifelong contribution to Australia and we all owe it to them to ensure that the last years of their lives are spent in dignity and appropriate care.

The case of the 85-year-old lady—the one you are trying to dump, you granny dumpers—I have outlined tonight confirms that elderly people are obtaining neither dignity nor appropriate care under the aged care as practised by this uncaring Howard government. We have heard of the granny dumping in the United States, and that is what you people have brought to this country today. Granny dumpers, the lot of you!

#### **Charter of Budget Honesty**

**Mrs BAILEY** (McEwen) (10.44 p.m.)—I rise tonight to commend the government on its ground breaking legislation that now ensures that we have a charter of budget honesty. This legislation is an important step

in rebuilding trust in government and it honours a promise made to the Australian people, because we believe that the people on whose behalf we govern have the right to expect their national government to be honest with them in reporting the true state of the nation's accounts.

As well, people have a right to expect their national government will exercise a sense of discipline in producing the best fiscal outcomes possible. I am pleased to be able to say that both of these requirements have been achieved in the charter of budget honesty. These dual goals will be achieved, firstly, by putting in place institutional arrangements to achieve the best possible fiscal outcomes and, secondly, by putting in place the means of accountability to provide people with an honest and open assessment of exactly how we are faring as a nation.

The principles therefore that underpin this charter are discipline, transparency and accountability. This stands in stark contrast to the record of the opposition, to their lack of standards, to their lack of honesty, to their lack of discipline and to their lack of accountability.

I do not make these charges lightly. There are numerous examples of the opposition making promises all over my electorate that they never intended to keep or simply failed to deliver. But their biggest deceit was, of course, made just one month prior to the last election when the current Leader of the Opposition and former Minister for Finance (Mr Beazley) stood up and looked the Australian people in the eye and said to them, 'We're operating in surplus, and our projections are for surpluses in the future.' There was not one word of truth in that statement.

What was even worse, the then Minister for Finance knew that there was not one word of truth in that statement. He was not interested in telling the Australian people what the true state of the nation's accounts were. He was not the slightest bit interested in being accountable or exercising any discipline to produce a better result for Australians. He was, however, intent on concealing the true position because he knew that, if the true state of the nation's accounts became known, he



and his then government would be seen as the hopeless economic managers we all know them to be.

Those days of deliberate deceit, lack of discipline and lack of accountability are over. This charter will ensure that never again will the people of my electorate be deceived about the true state of our nation's accounts. It means that all governments will at long last be held accountable to people whether they live in Diamond Creek, Craigieburn, Healesville, Seymour or Mansfield, or in small communities like Bonnie Doon, Gladysdale, Yellingbo or Clonbinane. This is as it should be because no government has money in its own right. It only ever has what it takes in taxes or borrows from its people. It is no wonder that so many people have become cynical of governments when they have been let down so badly in the past by this lack of accountability.

This charter is important not only for the reasons I have outlined but also because it will restore trust in the process of government. In addressing this very issue, the Treasurer (Mr Costello) said in his first budget address:

Before its election defeat on 2 March, the previous Government maintained that the budget would now be in underlying balance. The truth was nearly \$10 billion to the contrary.

Financial dishonesty of that magnitude undermines public confidence in our political system. We will ensure it never occurs again.

The Treasurer further went on to say:

Our Government will enact a Charter of Budget Honesty that will require the government of the day—ours or any other—to publish a budget update signed off by the Secretaries to the Treasury and the Department of Finance at the commencement of each Federal Election campaign.

That means that the people of my electorate will be given updated financial information before the election, not after it. Unlike the case in 1996 and in many other elections, they will know the true state of the books before they vote.

As I am running out of time, I will end on this note: this charter of budget honesty is groundbreaking legislation. It is long overdue, and it will start to restore trust in the process of government which is long overdue and has

needed this government to take the action. For 13 years, those sitting opposite did absolutely nothing to restore confidence and security in the process of government. They did not understand the word 'trust'. The Australian people have felt badly let-down by those opposite, and I am very pleased to stand here this evening and at long last be able to say that we as a government have introduced this charter of budget honesty. (*Time expired*)

### Second Sydney Airport

**Mr PRICE** (Chifley) (10.49 p.m.)—I want to speak about the campaign against the Badgerys Creek airport. In particular, I want to refer to three recent events. On 15 March, we had our day of action at Jamieson Park at Penrith. I must confess that, in more than 30 years of going to meetings of one sort or another, I have never travelled in the rain with a heavier heart, whingeing and cursing about the rain and its likely impact on the crowd turnout. It is a matter of report by the newspapers that some 15,000 people turned out at Jamieson Park to protest against the building of Badgerys Creek. An organiser of the Holsworthy turnout said that, on a rainy Sunday at Penrith, we had more people in his estimation than Holsworthy was capable of turning out on a good day.

The next Sunday we had a Labor Party regional assembly to discuss Badgerys Creek, amongst other things. I believe it is some 23 years, as best as I can recollect, since we had a regional assembly in western Sydney in Granville Town Hall. However, it never included 10 federal electorates. A reported 400 people turned out to that regional assembly. I must say that I thought it was a very successful assembly, and it clearly demonstrated that, just as federal members and candidates, state ministers and members and Labor councillors in western Sydney had been arguing against the airport, this too reflected the views of the rank and file.

Of course, last Monday we had the alliance of 10 mayors of western Sydney present their technical submission to the EIS process. I must commend the mayors for all the work they put in, particularly Noel Childs, who was the technical expert coordinating the submission. Without a doubt, this EIS is very seri-

ously flawed. You need to take that not only from the technical submission of the alliance but also from the auditors of the EIS from SMEC.

In relation to the process, in Parliament House last week I tried to fax through submissions from school children to the EIS section in Environment Australia so that they would be aware of the children's submissions. I have to say that, while fortunately in Parliament House we have good faxes with memory ability, I was unable to send those faxes to Environment Australia. In fact, we delivered them today—the closing date for submissions—by hand. The inconvenience to me is of absolutely no moment whatsoever. What concerns me—and I have written to Senator Hill about this matter—is the inadequacy of Environment Australia's fax machines to receive the faxes. Whilst I might have been persistent, how many punters, may I say, from western Sydney who may have been trying to fax their submissions through have been unsuccessful and given up? I think this has seriously compromised the public consultation process.

I have just a couple of other points. A joint press release was issued today by our shadow minister for transport and our shadow minister for the environment which declared the EIS to be fundamentally flawed. I could not disagree with that. It also stated quite rightly that the public has totally lost confidence in the process.

Last but not least, I want to particularly thank and acknowledge Eddie Husic and Carolyne Staples, the coordinators of Labor against Badgerys and the convenors for the regional assembly. They have done a mighty lot of work, together with lots of others who have helped. But these two in particular stand out for the contribution they have made within the party in western Sydney in the fight against Badgerys Creek. I would also like to add that Maggie Deahm, Paul Elliott and Cathy O'Toole—three of our candidates—made a contribution at the assembly, and I am very pleased they did that.

*Government members interjecting—*

**Mr PRICE**—I am surprised you are not joining in with the mayors. Most of them are Liberals. (*Time expired*)

#### **Phone Sex**

**Mr ENTSCH** (Leichhardt) (10.54 p.m.)—Travelling down last night, I happened to pick up the *Sun-Herald* dated 29 March and there was an article that took my notice headed 'Phone sex ads banned'. It went on to say that an Australia-wide crackdown on the \$100 million phone sex industry has been launched and the Telephone Information Services Standards Council has outlawed advertising sex lines in newspapers, the lifeblood of the operators. It went on to say that the Telecommunications Industry Ombudsman, John Pinnock, has revealed that in the past 2½ years he has had 1,320 complaints about sex line calls. Last year there were 463 and so far this year there have been 99.

One of those calls that will be going to the ombudsman this year relates to a constituent in my electorate, Mr Paul Emmericki. In January this year, his 12-year-old son was able to lift a ban from Optus on a 1900 number and, in a period of no more than six days, run up a total of \$3,800 worth of calls with Telstra and another \$480 worth of calls with Optus. The sad part about this is that Mr Emmericki, like any other—

**Mr O'Keefe**—You need to privatise them and give the kids an incentive for doing it.

**Mr ENTSCH**—You talk about privatising. This is an industry that has been blossoming now for the last four or five years—obviously, encouraged under Labor! Nevertheless, the system allowed a 12-year-old to be able to lift the ban. I think this is an absolute disgrace and it is something we need to look at very urgently.

Most people who do not access these calls would not even know they are available to them. As a consequence, there is great opportunity for this system to be abused. It is all very well for the communication carriers Optus and Telstra to say, 'If you put a ban on it, then we will stop it.' All a 12-year-old has to do is give his father's name, address and phone number and they will lift that ban.

Over that six-day period, this boy ran up in excess of \$4,000 worth of calls.

Interestingly enough, when you do some checking on this, you find it is not just the 1900 numbers. Most people would be quite surprised to find that your normal ISD number—your 0011 number—also gives access to these calls. If you go through some of these ads, you could be calling countries in central Africa or you could be calling Moldavia, Panama, Paraguay, Uruguay, Hong Kong or Russia. Some of these calls cost \$4.95 a minute or \$5 a minute. One of this young gentleman's calls cost \$287. Others cost \$116, \$103, \$255 and \$299. You can see that very quickly that would send the parents broke.

Another thing that I discovered is that there are 1300 numbers and 0055 numbers that also access these services. So I can assure you that there are a lot of people sitting out there with a telephone they expect to use for normal family calls, but people can use and abuse this system. I am calling on Telstra and Optus to not have barring on these services as an option; these services should not be made available unless they are specifically requested by telephone users. This is the only way that people can accept responsibility for this. I have contacted Telstra in relation to this particular case and basically they said, 'Okay, the calls were made. They may have been made by a 12-year-old child; nevertheless, the parents are responsible for paying for this.' I think this is an absolute disgrace. In cases like this people could go bankrupt through others accessing these outrageously expensive telephone calls and they have absolutely no way of knowing that is the case. (*Time expired*)

#### **Second Sydney Airport**

**Mr BARTLETT** (Macquarie) (10.59 p.m.)—I am amazed that the member for Chifley (Mr Price) was able to stand up here and have the audacity to try to say that he was opposed to Badgerys Creek airport. Fifteen years ago, Labor decided to put the airport at Badgerys Creek. Ever since then, for the 13 years they were in government, they have pushed as hard as they could for Badgerys Creek. The member for Chifley was one who talked about how magnificent a decision it was and how strongly he supported

it. Now they are in opposition, they suddenly change their mind and decide they have a different approach to it. This is typical of the Labor Party. They say one thing in government and a totally opposite thing when in opposition.

What it does say loud and clear is that you cannot trust Labor. To those people in western Sydney who are opposed to Badgerys Creek airport, I say this: 'Whatever you do, don't vote for Labor because what they are saying now in opposition is exactly the opposite to what they would do if, God forbid, they got back into government. They would push it ahead before you had time to even think about what they were doing.' They say one thing in government and a different thing in opposition. You cannot take their word for anything.

**Mr SPEAKER**—Order! It being 11 p.m., the debate is interrupted. The House stands adjourned until 2 p.m. tomorrow.

**House adjourned at 11.00 p.m.**

#### **REPLIES TO REQUESTS FOR DETAILED INFORMATION**

##### **Parliament House Health and Recreation Centre**

**Mr Martin** asked Mr Speaker on 12 March 1998:

Mr Speaker, in your capacity as having responsibility for the Joint House Department, I wonder whether you might look into the appointment of the manager's position of the parliamentary recreation centre. I understand that Alison Porritt, who has occupied that position as manager for four years, and who has been an employee for eight years, has been overlooked for subsequent appointment to that position.

Most members and senators who regularly attend that facility believe that Alison Porritt is an excellent officer of the department. I wonder whether you might investigate whether or not there is the opportunity, perhaps, for Ms Porritt to be reconsidered for that position.

**Mr Speaker**—The answer to the honourable member's question is as follows:

A new position, Administrative Service Officer Class 6, Manager Health and Recreation was created in December 1997. The position was created to recognise the changing requirements and

enhanced responsibilities of the Manager of this facility.

Ms Porritt, who is an Administrative Service Officer Class 4 in the Health and Recreation Centre, occupied the position on a temporary basis from 22 December 1997 pending the outcome of its permanent filling.

The position was advertised in the *Canberra Times* and *Commonwealth Gazette*. Ms Porritt was one of several applicants and her claims were considered along with those of other applicants through a competitive selection process, based on merit. The successful candidate was chosen after all applicants' claims were considered against the selection criteria for the newly created position. Ms Porritt's claims were assessed to be not as strong as those of the successful applicant.

Ms Porritt has an appeal avenue available and has been fully apprised of her rights in this regard. The appeal process is conducted under the auspices of an independent body, the Public Service and Merit Protection Commission.

#### NOTICES

The following notices were given:

**Mr Andrew** to move:

That the following bills be referred to the Main Committee for further consideration:

Child Support Legislation Amendment 1998; and  
Social Security and Veterans' Affairs Legislation Amendment (Pension Bonus Scheme) 1998.

**Mr Eoin Cameron** to move:

That, in view of the changing circumstances in the respective areas, the House supports the establishment of consulates in Zagreb and Skopje as soon as possible.

**Mr Zammit** to present a bill for an act concerning airports in the Sydney area.

#### PAPERS

The following papers were deemed to have been presented on 30 March 1998:

Australian Bureau of Statistics Act—Australian Bureau of Statistics—Proposal 1998 No. 3.

Social Security Act—Determination 1998 Child Disability Assessment.

Telecommunications Act 1997—Declaration—Carrier Licence Conditions (Telstra Corporation Limited) 1997 (Amendment 1998 No. 1).

### QUESTIONS ON NOTICE

The following answers to questions were circulated:

#### Ministerial Guidelines

##### (Question No. 1923)

**Mr Kelvin Thomson** asked the Prime Minister, upon notice, on 24 June 1997:

(1) Is he able to say whether (a) the business address of a donor listed on the Liberal Party of Australia's 1995-96 electoral disclosure return is given as PO Box 31, Box Hill, Vic., (b) the Minister for Health and Family Services is provided with a post office box as part of the Minister's electoral entitlement with the same address and (c) the Minister for Health and Family Services' response to the anomaly is that it may be a mistake.

(2) If so, does the Minister's response satisfy the code of ministerial conduct.

(3) What steps will he take to ensure that similar anomalies do not arise again.

**Mr Howard**—The answer to the honourable member's question is as follows:

(1) to (3) See the answers provided by the then Minister for Administrative Services and the Minister for Health and Family Services to Question Nos. 1925 and 1924, printed in Hansard of 24 September 1997 and 1 October 1997 respectively.

#### Central Land Council: Administrative Costs

##### (Question No. 2587)

**Mr Dondas** asked the Minister representing the Minister for Aboriginal and Torres Strait Islander Affairs, upon notice, on 3 December 1997:

(1) Will the Minister provide a breakdown of expenditure for the sum of \$8,627,297 in administrative costs shown in the report of the Central Land Council for 1995-96.

(2) What (a) was the total for administrative costs in 1996-97 and (b) is the projected total for 1997-98.

(3) How many persons are employed by the Central Land Council.

(4) For what was the sum of \$1,445,857 in capital expenditure in 1995-96.

(5) What was the total for capital expenditure in 1996-97 and for what was it used.

(6) What is the projected total for capital expenditure in 1997-98.

(7) What is the daily rate of travel allowance, including camping allowance, payable to (a) the Chairman, (b) Directors, (c) Executive and (d) staff of the Central Land Council.

(8) Are the consultants to the Central Land Council entitled to travel allowance; if so, at what daily rate.

(9) What sum was spent on travel by the Central Land Council in (a) 1995-96 and (b) 1996-97 and (c) what sum will be spent in 1997-98.

(10) What sum was spent on overseas trips in (a) 1995-96 and (b) 1996-97 and (c) what sum will be spent in 1997-98.

(11) Who went or is to go on each trip and what was the destination.

(12) What sum was spent on the vehicles line item in 1997.

(13) Will the Minister provide a complete inventory of all vehicles held by the Central Land Council and to whom each is allocated.

(14) What is the cost of producing a single edition of the *Land Rights News*.

(15) What proportion of the costs referred to in part (14) is borne by the (a) Central Land Council and (b) Northern Land Council.

(16) How many consultants did the Central Land Council employ in (a) 1995, (b) 1996 and (c) 1997.

(17) What was the cost of employing the consultants.

(18) Who were the consultants.

(19) What work did each consultant perform for the Central Land Council.

**Dr Wooldridge**—The Minister for Aboriginal and Torres Strait Islander Affairs has provided the following information to the honourable member's question:

(1) A breakdown of administrative expenditure of \$8,627,297 was provided at page 66 of the 1995-96 annual report of the Central Land Council. The breakdown is:

Salaries and related expenses	\$4,457,015
Operational expenses	\$2,724,425
Capital expenditure	\$1,445,857
	\$8,627,297

These figures represent actual and deferred expenditure relating to the approved estimates of administrative expenditure for 1995-96. At page 71 of the annual report a more detailed breakdown is shown of the total operating expenses of the Council in 1995-96 on an accruals basis.

(2) (a) The total administrative expenditure of the Central Land Council in 1996-97 was \$8,152,179. This is shown at page 85 of the Council's 1996-97 annual report in a format which enables actual expenditure to be compared with estimated expenditure against each approved head of expenditure. The Council's 1996-97 annual report was tabled in both Houses of Parliament on 3 March 1998.

(b) The approved estimate of administrative expenditure of the Central Land Council for 1997-98 is \$7,745,000.

(3) The Council's approved estimates of administrative expenditure for 1997-98 were based on an establishment of 102 staff.

(4) The amount of \$1,445,857 shown at page 66 of the 1995-96 annual report of the Central Land Council represents capital expenditure (including deferred expenditure) of the Central Land Council against its approved estimates of administrative expenditure for the 1995-96 financial year. Those capital funds were approved for building and accommodation improvements under the Council's Property Development Strategy; improvements to the Land Council library; the purchase of plant, furniture and equipment; the purchase of new motor vehicles; and the upgrading of computer equipment and services. Of the \$1,445,857 spent in respect of the 1995-96 approved estimates, \$960,857 was spent in 1995-96 and \$485,000 was deferred to 1996-97.

(5) Against its approved estimate of capital expenditure for 1996-97 of \$1,465,000, the Central Land Council spent \$925,216 in 1996-97 and deferred expenditure of \$496,885 to 1997-98. The funds were used for the continuation of building and accommodation improvements under the Council's Property Development Strategy; the purchase of motor vehicles; and continuing improvements to computer equipment and services.

(6) The approved estimate of capital expenditure of the Central Land Council for 1997-98 is \$889,000.

(7) Current reporting requirements do not make this information available. However, ATSIC has requested the information from the Council and this

will be forwarded to the honourable member on receipt.

(8) Whether consultants to the Central Land Council are entitled to travel allowance and, if so, at what daily rate are questions for private negotiation between the Council and each consultant. Current reporting requirements do not make this information available, however, ATSIC has requested the information from the Council and this will be forwarded to the honourable member on receipt.

(9) At page 71 of its 1995-96 annual report the Central Land Council disclosed that it had expended \$1,043,762 on travel.

At page 78 of its 1996-97 annual report the Central Land Council disclosed that it had expended \$1,008,212 on travel.

The approved estimate of operational expenditure of the Central Land Council in respect of 1997-98 includes a component of \$820,000 for travel, including travel allowance and travel fares.

(10) and (11) Current reporting requirements do not make this information available. However, ATSIC has requested the information from the Council and this will be forwarded to the honourable member on receipt.

(12) At pages 78 and 85 of its 1996-97 annual report the Central Land Council disclosed that it had expended \$570,369 on vehicle usage and \$355,486 (gross) on the purchase of new vehicles respectively.

(13)-(19) Current reporting requirements do not make this information available. However, ATSIC has requested the information from the Council and this will be forwarded to the honourable member on receipt.

### **Wilson, Sir Ronald**

**(Question No. 2624)**

**Mr Campbell** asked the Minister representing the Minister for Aboriginal and Torres Strait Islander Affairs, upon notice, on 2 March 1998:

(1) Has Sir Ronald Wilson received funds from the Commonwealth or been provided with resources from Aboriginal Legal Services or the Human Rights and Equal Opportunity Commission to pay for his travel while promoting the report of the national inquiry into the separation of Aboriginal and Torres Strait Islander children from their families; if so, what are the details.

**Dr Wooldridge**—The Minister for Aboriginal and Torres Strait Islander Affairs has provided the following answer to the honourable member's question:

I am informed by the Aboriginal and Torres Strait Islander Commission (ATSIC) and the National Aboriginal and Islander Legal Services Secretariat that neither agency is aware of an Aboriginal Legal Service providing funds to Sir Ronald Wilson, to pay for travel to promote the report of the national inquiry into the separation of Aboriginal and Torres Strait Islander children from their families. ATSIC is in the process of checking with each legal service and will respond separately to the honourable member.

The Human Rights and Equal Opportunity Commission have advised ATSIC that they did not provide any funds or resources to Sir Ronald for this matter. The Human Rights and Equal Opportunity Commission further advised that to the best of their knowledge all funding for Sir Ronald's travel on this matter was provided by individuals, community groups, churches and church affiliated groups.

### **Nursing Homes**

#### **(Question No. 2626)**

**Mr Campbell** asked the Minister for Family Services, upon notice, on 2 March 1998:

- (1) What did the nursing home subsidy cost the Commonwealth in 1996-97.
- (2) How many Geriatric Assessment Teams (GATs) are funded throughout Australia.
- (3) What did it cost to fund GATs in 1996-97.
- (4) How many patients did GATs assess in 1996-97.
- (5) How many patients referred to in part (4) (a) remained in their own homes and (b) were placed in nursing home care.
- (6) How many persons are employed to process the documentation involved in the administration of the eight categories for the nursing home bed subsidies.
- (7) How many staff would be made redundant if the eight categories were reduced to one.
- (8) What did the administration of the nursing home bed subsidy cost the Commonwealth in 1996-97.
- (9) What agencies are involved in caring for elderly clients in their homes.
- (10) What does it cost the Commonwealth for home care agencies to keep elderly clients in their homes.

**Mr Warwick Smith**—The answer to the honourable member's question is as follows:

- (1) The Commonwealth paid \$2,170.912 million in nursing home subsidies in the 1996/97 financial year.
- (2) The Commonwealth Government provides grant assistance to State and Territory Governments to help operate 121 Aged Care Assessment Teams (ACATs). ACATs were previously called Geriatric Assessment Teams.
- (3) The Commonwealth contributed \$33.65 million in grant assistance for ACATs to the States and Territories in 1996-97. 2.
- (4) Around 175,000 assessments were conducted in 1996-97.
- (5) Detailed figures are not yet available for 1996-97. However, generally around 45% of assessments result in a recommendation for the client to live at home and a further 45% result in a recommendation for the client to use residential care. The remaining 10% of assessments include those where the client is recommended to use alternative forms of accommodation, such as boarding houses or hospices, or where the client cancels the assessment, or moves away.
- (6) The Commonwealth employs approximately forty staff to audit category appraisals.
- (7) The Commonwealth has no plans to reduce the eight categories to one.
- (8) It is not possible to separate the costs for the administration of nursing home subsidies from other parts of the Aged Care Program. The total sub-program expenditure, during that period, was \$30.7 million and other functions managed under this sub-program were the; administration of hostel subsidies, monitoring of care standards and resident classifications in nursing homes and hostels.
- (9) The Home and Community Care (HACC) Program is a joint Commonwealth and State/Territory Program which provides support services to frail older people, younger people with disabilities and the carers of these people so that they can remain living at home in the community.  
There are over 3500 outlets for providing HACC services. The services are provided by a range of agencies including community, religious and charitable, local and State/Territory government agencies.
- (10) The Commonwealth is providing \$476.3 million for HACC services, \$78.8 million for Community Aged Care Packages (CACPs), \$35.8 million for the Community Based Support Program (which includes Day Therapy Centres), and \$20.4 million for the National Respite for Carers Program.

**Department of Industry, Science and  
Tourism: Australian Chamber of  
Commerce and Industry Grants**

**(Question No. 2643)**

**Mr Martin Ferguson** asked the Minister for Industry, Science and Tourism, upon notice, on 2 March 1998:

(1) Has the Minister or the Minister's Department provided grants to the Australian Chamber of Commerce and Industry (ACCI) or bodies related to the ACCI since 2 March 1996; if so, (a) in each case, (i) what was the nature of the grant and (ii) for what purposes was it provided and (b) what total sum was provided.

(2) To what boards, committees or other bodies for which the Minister has portfolio responsibility have (a) Mr Mark Patterson, the chief executive of ACCI, or (b) other officers or staff of ACCI been appointed since 2 March 1996.

(3) What sums has the Commonwealth paid in sitting fees, board fees, travel costs and related expenses with respect to each appointment referred to in part (2).

**Mr Moore**—The answer to the honourable member's question is as follows:

(1) Yes. The following grants have been made to the Australian Chamber of Commerce and Industry (ACCI) since 2 March 1996:

- A grant of \$395,000 as seed funding for the establishment of the Olympic Business Opportunities Unit whose core objectives were the dissemination of information to small and medium enterprises on business opportunities arising from the Sydney 2000 Olympic Games, and maximising opportunities for Australian industry development from the Games. In June 1997, ACCI refunded \$100,000 of the grant, leaving a net grant of \$295,000.
- \$500,000 to arrange for a study into the competitiveness of the Australian information industries. The study which was undertaken by the Allen Consulting Group was intended to identify strategic opportunities and define actions by government and industry necessary to capitalise on these, providing a significant input to the Information Industries Taskforce, chaired by Professor Ashley Goldsworthy. The study resulted in the publication of the report "Spectator or Serious Player? Competitiveness of Australia's Information Industries".
- Sponsorship of \$10 000 for ACCI's National Conference in August 1997

(2) (a) Mr Mark Patterson has not been appointed to any boards, committees or other bodies for which I have portfolio responsibility since March

1996.(b) The following officers and staff of ACCI have been appointed to committees and boards for which I have portfolio responsibility:

- Dr Steven Kates is a member of the Indicative Planning Council for the Housing Industry (IPC);
- Mr Tom Muecke is ACCI's representative on the recently established Year 2000 Steering Committee;
- Dr John Keniry participated in the French Australian Industrial Research Steering Committee and the Prime Minister's Science and Engineering Council since March 1996. He was also a member of the Meat, Dairy and Aquaculture Sector Advisory Committee of the CSIRO; and
- Mr Warwick Bisley is a member of the Chemicals and Plastics Advisory Committee of the CSIRO.

(3) The total sum paid to Dr Kates since 2 March 1996 for reimbursement of travel costs is \$1618.23.

No payments have been made to Mr Muecke.

Dr Keniry was paid \$2731.25 in sitting fees and \$1915.80 in travel costs and related expenses.

No payments have been made to Mr Bisley.

**Nuclear Testing: Australian Military and  
Civil Personnel**

**(Question No. 2691)**

**Mr Laurie Ferguson** asked the Minister representing the Minister for Resources and Energy, upon notice, on 2 March 1998:

(1) Does his Department maintain specific listings or databases of Australian military and civilian personnel who participated in (a) major British atomic tests in Australia, (b) minor British atomic tests in Australia and (c) subsequent clean-up operations; if so, (i) how many individuals are recorded in each case and (ii) what arrangements exist for exchanging the information and similar information between his Department and the Departments of Defence and Veterans' Affairs.

(2) What access provisions and exclusions apply to veterans of nuclear operations who seek to obtain copies of personal information held by his Department which relates to them.

(3) Is his Department involved in monitoring the mortality of Australian veterans of nuclear operations; if so, what are the details.

**Mr Anderson**—The Minister for Resources and Energy has provided the following answer to the honourable member's question:

(1) The Department of Primary Industries and Energy maintains an electronic database of military



and civilian personnel who participated in the British nuclear tests at Maralinga for whom security cards were created in the period 1955 to 1967. The Maralinga cards have been transferred to Australian Archives.

The security cards contain personal information such as physical characteristics, full name, date of birth, sometimes a photograph, as well as information on occupation, employer, home address and period of work at Maralinga.

The Department of Primary Industries and Energy also possesses the original questionnaire forms returned by respondents to a 1983 Commonwealth Department of Health survey of the health of atomic test personnel, commonly known as the Donovan Report. In addition the Department of Primary Industries and Energy also possesses a listing of available information on personal monitor records detailing exposure to beta and gamma radiation by participants in the program of British nuclear tests at Maralinga.

(a) and (b) The security card records have not been disaggregated for major and minor tests at Maralinga.

(i) The electronic database identifies 13,126 participants (the majority of whom were Australians) who were involved in the British nuclear tests at Maralinga. The data base does not encompass records of participants in the Monte Bello (WA) or Emu (SA) tests.

(ii) Information contained on the Maralinga Security cards is exchanged between officers of the Department of Primary Industries and Energy and the Departments of Defence and Veterans' Affairs on a needs basis.

Information contained in the Commonwealth Department of Health survey of the health of atomic test personnel is subject to confidentiality provisions found in the Epidemiological Studies (Confidentiality) Act 1981.

(c) The Department of Primary Industries and Energy maintains a detailed database of all personnel involved with the Maralinga Rehabilitation Project which commenced in 1996.

(i) As at March 1998 six hundred and fifty-eight people had been employed on the Maralinga Rehabilitation Project.

(ii) There has been no need to exchange information regarding individuals involved with subsequent clean-up operations between the Department of Primary Industries and Energy and the Departments of Defence and Veterans' Affairs. Clean-up operations are the responsibility of the Department of Primary Industries and Energy, employing only civilian personnel.

(2) Participants in the British nuclear tests are not excluded from access to their own security

records held by the Department of Primary Industries and Energy. Access can be gained by contacting:

The Department of Primary Industries and Energy, GPO Box 858, Canberra ACT 2601.

However, in keeping with the provisions of the Commonwealth Privacy Act 1988, an exclusion exists for third party access to personal records such as information included in the security cards.

An exclusion also exists for third party access to Health Survey records pursuant to confidentiality provisions in the Epidemiological Studies (Confidentiality) Act 1981.

(3) The Department of Primary Industries and Energy is not involved in monitoring the mortality of Australian participants of nuclear operations.

### **Pharmaceutical Benefits Scheme: Drugs**

**(Question No. 2713)**

**Mr Cobb** asked the Minister for Health and Family Services, upon notice, on 4 March 1998:

(1) Will he provide lists of each drug (a) added to and (b) withdrawn from the Pharmaceutical Benefits Scheme (PBS) in each year since 1980.

(2) What criteria are used in adding or withdrawing drugs.

(3) What was the approximate cost or cost saving of adding and withdrawing drugs in each year since 1980.

(4) Approximately how many drugs were listed under the PBS in each year since 1980.

(5) What was the approximate cost of operating the PBS in each year since 1980.

**Dr Wooldridge**—The answer to the honourable member's question is as follows:

(1) This information is already publicly available. The Schedule of Pharmaceutical Benefits is updated four times each year in February, May, August and November. At the front of each book there is a Section providing a summary of changes since the previous edition including a list of each drug and drug product added to the Schedule and each drug and drug product deleted from the Schedule. Copies of the current and outdated Schedules are held in the Parliamentary Library.

(2) The Pharmaceutical Benefits Advisory Committee (PBAC) is required by the National Health Act to consider effectiveness and cost when assessing applications to list new drugs in the PBS Schedule. In fact, section 101 (3B) of the National Health Act 1953 specifically precludes the PBAC from recommending a more expensive drug unless it has been shown to be more effective, or less toxic, than an alternative product.

The PBAC will consider only drugs which have been registered for marketing in Australia and only for the conditions for which they are registered.

The major reason for the withdrawal of drugs from the PBS is due to discontinuation of products by sponsors.

The PBAC may also recommend deletion if a drug has little use and has been superseded by safer alternatives.

Some product groups have been deleted as part of government decisions, generally where the products are available without a prescription for simple, self limiting illnesses.

A copy of PBAC Guidelines is attached

(3) Based on cost information submitted by sponsor companies, an estimated cost of adding each new drug or drug product to the Schedule of Pharmaceutical Benefits is calculated and reported in the recommendations of the Pharmaceutical Benefits Advisory Committee submitted to the Minister for consideration.

Given the volume of information that would need to be examined in respect of the many additions to the Schedule of Pharmaceutical Benefits since 1980, it is considered to be an unreasonable

imposition on departmental staff time and resources to provide a comprehensive answer to this question.

Cost savings are not calculated in respect of deleting drugs or drug products from the Schedule of Pharmaceutical Benefits except where this information has constituted part of government Budget decisions. Where deletions from the Schedule of Pharmaceutical Benefits have occurred as a result of Budget decisions, this information is recorded in Portfolio Budget Statements, copies of which are held in the Parliamentary Library.

(4) To give an idea of the number of listings involved, it is noted that since 1980 there has been a gradual increase in the total number of products listed on the PBS, probably of the order of 10 percent. The February 1998 issue of the Schedule of Pharmaceutical Benefits lists 550 drug substances (generic drugs), available in 1328 forms and strengths (items) and marketed as 1985 different drug products (brands). Restrictions apply to 592 of the items, 236 of which require an authority prescription. These figures exclude drugs available under section 100 arrangements.<sup>3</sup>

(5) The approximate cost to Government for the PBS in current year prices and exclusive of administrative costs over the period 1979/80 to 1996/97 was as follows:

Year	\$m	Year	\$m
1979/80	274.64	1988/89	1023.54
1980/81	309.21	1989/90	1179.40
1981/82	390.82	1990/91	1159.26
1982/83	430.27	1991/92	1220.34
1983/84	489.22	1992/93	1519.05
1984/85	559.80	1993/94	1801.30
1985/86	615.82	1994/95	1991.30
1986/87	738.00	1995/96	2326.72
1987/88	946.46	1996/97	2538.10

#### Role of the PBAC

The Pharmaceutical Benefits Advisory Committee (PBAC) is established under the National Health Act 1953 to make recommendations to the Minister for Health about which drugs and medicinal preparations should be available as pharmaceutical benefits, and to advise the Minister about any other matter relating to the Pharmaceutical Benefits Scheme (PBS) which is referred to it by the Minister. The Committee is also required by the Act to consider the effectiveness and cost of a proposed benefit compared to other therapies.

The membership of the Committee is prescribed in the Act and members who are appointed by the Minister are medical practitioners and pharmacists.

The membership is published in the Government Gazette and details are available on request from the PBAC Secretariat.

New pharmaceutical entities must be registered by the Therapeutic Goods Administration (TGA) before being marketed in Australia. Registration is based on assessment of quality, safety and efficacy, a process which often involves the Australian Drug Evaluation Committee (ADEC). Products are registered on the Australian Register of Therapeutic Goods (ARTG) for specific therapeutic indications, and, in general, the PBAC will not recommend the listing of products in the PBS for indications other than those registered. The PBAC thus accepts that products included on the ARTG have established

safety and efficacy adequate to allow marketing in Australia.

The Committee is required to make recommendations on the suitability of drug products for subsidy by the Australian Government. It therefore considers the effectiveness, cost effectiveness and clinical place of a product compared to other products already listed on the PBS for the same, or similar, indications. Where there is no listed alternative, the Committee considers the effectiveness, cost-effectiveness, and clinical place of the product compared to standard medical care or the benefits for patients the new product will provide compared to the cost of achieving those benefits. On the basis of its community usage, the Committee recommends maximum quantities and repeats and may also recommend restrictions as to the indications where PBS subsidy is available.

When recommending listings, the Committee also provides advice to the Pharmaceutical Benefits Pricing Authority regarding comparison with alternatives or their cost-effectiveness (value for money).

The range of drugs and formulations available under the Scheme provide a formulary of drugs to meet the health needs of the majority of the Australian community.

#### Subcommittees

Under the National Health Act the Committee may establish subcommittees, consisting of members with appropriate expertise, to assist it in performing its functions. There are presently two subcommittees 6 the Drug Utilisation Subcommittee (DUSC) and the Economics Subcommittee (ESC).

The Drug Utilisation Subcommittee monitors the patterns and trends of drug use and makes such utilisation data available publicly.

The Economics Subcommittee advises on cost-effectiveness policies and evaluates cost-effectiveness aspects of submissions to the PBAC.

#### Quality use of medicines

The PBAC encourages the quality use of medicines through the inclusion of cautions and notes in the PBS Schedule, the wording of PBS restrictions, its initiation of national consensus conferences and the provision and publication of Australian drug utilisation data. From time to time it also recommends to the Pharmaceutical Health and Rational Use of Medicines (PHARM) Committee on educational activities to support the appropriate use of pharmaceutical benefits.

#### Processing of applications

The Committee considers submissions not only from industry sponsors of drug products, but also from medical bodies, health professionals, private individuals and their representatives. However, for

new products or new indications, it is normally the sponsor or manufacturer who will hold the necessary data required for such a submission.

The Committee is conscious of the need to be as open as possible in its proceedings, consistent with the secrecy provisions of the National Health Act. The Committee therefore provides to sponsors relevant documents and evaluations considered by the Committee. It also provides the opportunity for a pre-PBAC consultation with the sponsor in relation to new submissions for drug products. The Committee is also conscious of the need to avoid unnecessary delays between marketing approval and subsidised listing where the latter is appropriate. To this end, all submissions received by a reasonable cut-off date are considered at the next meeting of the Committee. These cut-off dates are provided to the pharmaceutical industry well in advance of meetings. The PBAC will accept applications prior to finalisation of marketing approval provided registration has been recommended by the ADEC.

Advice of Committee decisions are provided to sponsors in writing within 15 working days of a meeting, and PBAC and Pharmaceutical Benefits Pricing Authority meetings are coordinated to minimise processing time.

#### General guidelines followed by the Committee

The Committee bases its deliberations on the requirements of the National Health Act. The role of a drug product in meeting the health needs of the Australian community is of primary consideration. For drugs considered appropriate for PBS listing on medical grounds, economic factors including cost-effectiveness are taken into account, as required by the National Health Act.

New drugs entities may be recommended for listing if:

- . they are needed for the prevention or treatment of significant medical conditions not already covered, or inadequately covered, by drugs in the existing list and are of acceptable cost-effectiveness;
- . they are more effective, less toxic (or both) than a drug already listed for the same indications and are of acceptable cost-effectiveness; or
- . they are at least as effective and safe as a drug already listed for the same indications and are of similar or better cost-effectiveness.

At the direction of the Minister for Health:

- . the Committee takes into account the community need or benefit, particularly for additional formulations of already listed drugs where proliferation of products may cause confusion;
- . drugs intended specifically for in-hospital use are given a lower priority for listing since the

PBS is primarily for community-based patients; and

- products for the treatment of clinically minor or trivial conditions are given a 'low priority' for listing.

Situations in which a recommendation to list is unlikely:

- fixed combinations of drugs. The Committee generally considers drug dosages must be tailored for each patient and this may not be possible with fixed combinations. The individual components may have markedly dissimilar pharmacokinetic and pharmacodynamic characteristics making it difficult to determine doses and dosing intervals that would be appropriate. Nevertheless, where a combination is considered appropriate, and the presence of one ingredient enhances the effectiveness of the other ingredient(s), or reduces the potential for toxicity or abuse, listing may be recommended;
- a product where this may increase problems of abuse or dependence;
- a drug solely to treat an individual patient whose response to, or need for, a drug is unique.

Circumstances which may result in removal of a drug from the list include the following:

- a more effective or equally effective but less toxic drug becomes available;
- evidence becomes available that the effectiveness of a drug is unsatisfactory;
- evidence becomes available that the toxicity or abuse potential outweighs its therapeutic value;
- a drug has fallen into disuse or is no longer available; or
- treatment with a drug is no longer deemed cost-effective relative to other therapies.

Restricted benefit and authority required listings

A drug or drug formulation will be considered for restricted benefit or authority required listing:

- to limit PBS usage so that this is in accordance with the approval and registration granted by the TGA;
- to allow the controlled introduction of a drug in a new therapeutic class;
- to limit PBS usage to the indications, conditions or settings seen as being appropriate for clinical, cost-effectiveness, or other reasons;
- because of concerns about adverse effects, possible misuse, overuse or abuse.

Listed maximum quantities and repeats

The Committee makes recommendations about the maximum quantity and the number of repeat

prescriptions which should be available for each formulation of a drug. For acute conditions, the maximum quantity usually provides sufficient for a normal single course of treatment (bearing in mind the size of the manufacturer's pack). For chronic conditions, the maximum quantity and repeats usually provide for up to six months' therapy depending on the need for clinical review of the condition to be treated. For patients requiring higher than average doses, generally, increases in the listed maximum quantities and repeats are available through the Authority system.

Section 100 availability

Section 100 of the National Health Act enables the Minister to make alternative arrangements for the supply of pharmaceutical benefits when the normal provisions for supply are impractical. Following an agreement between Commonwealth and State health ministers and the establishment of the Highly Specialised Drugs Working Party, highly specialised high-cost drugs may be recommended for availability under Section 100 where use of the drugs for the treatment of community patients is not suitable to a community medical practice setting but is appropriate to a hospital out-patient setting.

Sources of advice

In formulating its conclusions the Committee frequently seeks expert opinion from relevant professional bodies and/or appropriate specialists and may meet with representatives of relevant medical professional organisations and colleges.

Review of listings

The Committee regularly reviews the list of pharmaceutical benefits including restrictions, maximum quantities and number of repeats.

General information

Secretariats

The PBAC and its subcommittees are serviced by secretariats which are part of the Commonwealth Department of Health and Family Services:

PBAC Secretariat and Listings Section

Phone (06) 289 7099

Facsimile (06) 289 8633

Economics Subcommittee and DUSC:

Pharmaceutical Evaluation Section

Phone (06) 2897486

DUSC Secretary (06) 289 7293

Facsimile (06) 289 8641

The Secretariats are available for discussion about proposed submissions or related matters at any time. They are also the first point of contact concerning PBAC discussions and decisions.

## Addresses

All correspondence should be addressed to:  
The Secretary  
Pharmaceutical Benefits Advisory Committee  
GPO Box 9848  
Canberra City ACT 2601  
Submissions should be delivered to:  
3rd Floor  
Alexander Building  
Furzer Street  
Phillip ACT. 2606

For further information, see 'Guidelines for the pharmaceutical industry on preparation of submissions to the Pharmaceutical Benefits Advisory Committee'.

**Energy Research and Development Corporation**

(Question No. 2764)

**Mr Campbell** asked the Minister representing the Minister for Resources and Energy, upon notice, on 11 March 1998:

(1) Is it a fact that the Government disbanded the Energy Research and Development Corporation (ERDC) because it claimed the ERDC's role was subsumed by other general Government research and development programs including those administered by the Department of Industry, Science and Tourism.

(2) What sum has been distributed for projects of the type supported by the ERDC since it closed.

(3) Are the solar research facilities operated by (a) the Australian National University, (b) the University of NSW including Pacific Solar and (c) Sustainable Technologies Australia and its consortium being supported by Government research and development funds to the same extent as they were in March 1997; if not, why not; if so, how.

**Mr Anderson**—The Minister for Resources and Energy has provided the following answer to the honourable member's question:

(1) Yes.

(2) The Energy Research and Development Corporation (ERDC) is still operating and projects involving ERDC commitments continue to be funded.

(3) Solar research continues to be supported by the Government. The Prime Minister, in his statement on "Safeguarding the Future: Australia's Response to Climate Change" announced major initiatives for renewable energy. These include the establishment of a Renewable Energy Innovation Investment Fund, a loans and grants program for renewable energy technology commercialisation, and a renewable energy showcase. Organisations such as the Australian National University, the University of New South Wales and Sustainable Technologies Australia will be eligible for Government funding through these new enhanced renewables programs.

**Department of Veterans' Affairs: North Queensland Office**

(Question No. 2765)

**Mr Laurie Ferguson** asked the Minister for Veterans' Affairs, upon notice, on 11 March 1998:

(1) How many veterans receiving a pension from his Department live in the region covered by the North Queensland Regional Office.

(2) How many staff did the office employ as at December (a) 1995, (b) 1996 and (c) 1997.

(3) How many staff are employed at the office on a (a) permanent and (b) temporary basis.

(4) Has a freeze been imposed on filling permanent positions in the office; if so, why.

(5) Have any functions previously performed by the office been transferred to other offices of his Department; if so, what are the details.

**Mr Bruce Scott**—The answer to the honourable member's question is as follows:

(1) 6,723 veterans receiving a pension live in the region covered by the North Queensland Regional Office (NQRO). This covers postcodes 4737 to 4850.

(2) (a) 19; (b) 17; (c) 14.

(3) (a) 11; (b) 3.

(4) No.

(5) Yes—Compensation Claims Processing.

A national computer-based Compensation Claims Processing System was introduced in January 1995 at which time, as a rationalisation measure, processing was moved from the National Queensland Regional Office to the State Office in Brisbane.