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The SPEAKER (Mr David Hawker) took the chair at 9.00 a.m. and read prayers.

NATIONAL HEALTH AMENDMENT (PROSTHESSES) BILL 2004

First Reading

Bill presented by Mr Abbott, and read a first time.

Second Reading

Mr ABBOTT (Warringah—Minister for Health and Ageing) (9.01 a.m.)—I move:

That this bill be now read a second time.

This bill amends the National Health Act 1953 to require registered health benefits organisations (health funds), to provide cover, under their applicable benefits arrangements for no gap and gap permitted prostheses provided as part of an episode of hospital treatment involving a professional service for which a Medicare benefit is payable.

The new arrangements will ensure that private health insurance members will have access to safe and effective prostheses at no gap for every Medicare benefits schedule item.

The bill amends the act to allow the minister to determine in writing:

- no gap prostheses—and the benefit amount for each no gap prosthesis; and
- gap permitted prostheses—and the minimum and maximum benefit amount for each gap permitted prosthesis.

When making prosthesis determinations, the minister may take into account advice from experts in the field of prostheses and in the health insurance industry. An advisory structure, featuring a Prostheses and Devices Committee comprising clinicians and representations of private health funds, prostheses suppliers, private hospitals and consumers, is already operating. What emerges from this process will be supported by the decision-making framework provided for in this bill.

A bill to give effect to the government’s prostheses reforms was introduced on 12 August 2004 but lapsed when parliament was prorogued on 31 August. The bill is now being reintroduced with some minor modifications.

The bill now includes provisions which allow health funds to continue to benefit from the stronger negotiating power of the public hospital network. These provisions have been developed in consultation with industry.

The intent of the original bill remains:

- members of health funds will have no out-of-pocket expense options for a no gap prosthesis;
- members of health funds may have an out-of-pocket expense option for a gap permitted prosthesis, but the amount of the gap will be no greater than the difference between the minimum and maximum benefit amount for the gap permitted prosthesis.

The government is concerned to ensure that no health fund member should be deprived of access to a no gap prosthesis should their condition require it. A principle of the reforms is that fitness for purpose should be a key criterion in determining access to a no gap prosthesis. That a prosthesis is the least expensive may not mean that it is the most clinically appropriate for the purpose needed by the patient.

Where members are treated as a private patient in a public hospital, health fund benefits will not exceed the benefit amount for a no gap prosthesis, or the maximum benefit amount for a gap permitted prosthesis.

The revised bill now recognises that public hospitals may be able to purchase prostheses from suppliers at prices that are below
the determined benefit amount or minimum benefit amount. Health funds and public hospitals may, in these circumstances, agree on payment of benefit below the benefit amount for no gap prosthesis, or below the minimum benefit amount for a gap permitted prosthesis.

Where the patient is likely to have an out-of-pocket cost, information should be provided by the patient’s fund and doctor that will allow the patient to make an informed decision about the choice of prostheses.

This initiative does not affect the ability of health funds to provide, under their applicable benefits arrangements, cover for prostheses which are not listed on a no gap or gap permitted prostheses determination, for example, more expensive prostheses relating to MBS procedures, and prostheses not related to MBS procedures or cover for prostheses under their tables of ancillary health benefits.

Members of health funds will still have the ability to choose to pay lower premiums for lesser benefits. Health funds will not be required to pay benefits for a prosthesis, where a member has made an election not to be covered for the hospital procedure.

There have been recent changes to health insurance legislation that enable members to access basic hospital accommodation and nursing care costs for services performed by accredited podiatrists. In those circumstances, I encourage health funds to cover the prostheses implanted by podiatric surgeons.

Finally, the bill also makes minor consequential amendments to the act in relation to health fund rule changes and loyalty bonus schemes with effect from 1 July.

I acknowledge the contribution of all stakeholders who have contributed to the development of the new arrangements for the coverage of prostheses for consumers with private health insurance. The new administrative arrangements, leading to the production of a 2005 prostheses schedule, have been under way since the middle of the year, and the progress to date on what are complex and difficult matters has been very encouraging.

I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by Mr McClelland) adjourned.

STANDING ORDERS AUTHORITY

Mr ABBOTT (Warringah—Leader of the House) (9.07 a.m.)—I move:

That the Clerk be authorised to correct clerical errors or inconsistencies in wording in the standing orders, but not so as to cause a change to the meaning of any standing order.

As members would be aware, new standing orders came into effect on 16 November. The new standing orders were substantially rewritten and reorganised in order to modernise the rules and enhance the understanding that members and others have of the rules by which the House operates. As you can imagine with such an exercise, we have subsequently discovered one or two inconsistencies in wording which should be amended to make sure that the new standing orders are as clear and as precise as possible.

The motion before the House proposes a mechanism to address minor clerical errors or inconsistencies without taking the time of the House. The proposed mechanism is similar to that which permits the clerk, with the authority of the Deputy Speaker, to correct clerical or typographical errors in a bill. The mechanism obviously would only be used for minor amendments which do not change the meaning of any standing order. I commend this motion to the House.

Question agreed to.
HEALTH INSURANCE AMENDMENT
(100% MEDICARE REBATE AND OTHER MEASURES) BILL 2004
Second Reading
Debate resumed from 30 November, on motion by Mr Abbott:
That this bill be now read a second time.
upon which Ms Gillard moved by way of amendment:
That all words after “That” be omitted with a view to substituting the following words:
“while not declining to give the bill a second reading, this Parliament condemns the government for:
(1) doing nothing while out of pocket costs to see a general practitioner have soared from a little over $8 to a national average of $15.37 and failing to attach conditions to 100% Medicare aimed at reducing out of pocket costs;
(2) causing bulk billing rates to fall from 80% under Labor to a little over 70% and failing to attach conditions to 100% Medicare aimed at bolstering bulk billing rates;
(3) failing to ensure that any of the $1.7 billion spent will be passed on to patients; and
(4) continuing its undermining of Medicare as Australia’s universal public health insurance system”.

Mr ABBOTT (Warringah—Minister for Health and Ageing) (9.09 a.m.)—Obviously, I thank all members who have participated in this debate. I particularly thank the member for Lalor for her contribution, although there are some issues that I think do need some government response. Let me just reiterate for the benefit of members that this measure is designed to implement a clear and unambiguous election commitment of the government. Early in the election campaign we pledged, should we be re-elected, to raise the rebate for GPs to 100 per cent of the scheduled fee. This means that on average the rebate for GP services will go up by $5, and the rebate for standard GP services—for a standard GP consultation—will increase by $4.60. The benefit in this is that it will encourage GPs to continue bulk-billing a significant proportion of their patients, but for those patients who do not get bulk-billed there will be a significant additional amount of money in their pockets. So this is an important measure for everyone who uses our health system; it is an important measure for everyone who needs GP services.

One of the points which the member for Lalor made in her contribution to this debate was to observe that over the last few years there has been a steady and not insignificant decline in the number of GP services delivered to the Australian population. It is true that over the last six years there has been about a seven per cent decline in the number of GP services delivered to the Australian people, but the government is confident that measures put in place by this government will increase the number of GP services, at least for the next couple of years.

I also point out to the House that, while the actual number of GP consultations has declined somewhat, there are more longer consultations today than before. In 1998 long consultations were but nine per cent of the total; today they are some 12 per cent of the total. Generally speaking, the longer the consultation, the higher the quality of the medical service delivered.

The member for Lalor has moved an opposition amendment to the government’s bill. I will comment briefly on some of the provisions of the opposition’s amendment. The opposition is concerned about the rise in Medicare gap payments. No-one likes to pay gaps. Everyone would prefer, if possible, to pay nothing and, if we have to pay something, to pay as little as possible, but the fact is that there is no such thing as free medi-
All health services have to be paid for, either by taxpayers or by patients, and it is no bad thing that there are at least some price signals in our health system, because it makes patients conscious of what they are getting and is a significant deterrent against overservicing and overuse of our health services.

I point out to the member for Lalor that in the most recent quarter the gap payment for GP services actually declined. It was the first time since, I think, 1998 that this had happened. There was also a significant reduction in gap payments for specialist services. This was largely due to the introduction of the MedicarePlus safety net—a safety net which members opposite, as far as I am aware, still oppose and are still pledged to repeal, if they ever find themselves on the government benches.

The member for Lalor’s amendment criticises the government for declining bulk-billing rates. I hate to accuse the member for Lalor of living in the past, but the fact is that since December of last year the bulk-billing rates have been substantially increasing because of the incentive payments put in place by this government. What is more, the incentive payments are targeted towards the most vulnerable groups in our community, namely concession card holders and families with kids. Bulk-billing is important and it should be widely available, particularly for disadvantaged groups, but Medicare is not identical to bulk-billing. Medicare is a universal guarantee of affordable access to high-quality health services, and that is the Medicare that this government has strengthened and protected over the last 8½ years.

The member for Lalor’s amendment states that the government has failed ‘to ensure that any of the $1.7 billion spent will be passed on to patients.’ This is quite incorrect. It assumes that doctors will simply pocket the money themselves. I say respectfully to the member for Lalor that I think her public standing and that of the opposition would be enhanced if the anti-doctor campaign so consistently waged by members opposite ended forthwith. Doctors are not perfect; doctors are human. Some doctors suffer from the usual temptation—to which, alas, humanity is subject—to enhance their own financial standing, but the fact is that as a group doctors are as committed and as idealistic as any in our society, and the idea that this is about enriching doctors and not about helping patients is simply false. This measure will encourage doctors to keep bulk-billing patients, and it means that those patients who are not bulk-billed will have more money in their pocket.

Finally, the opposition’s amendment claims that the government are ‘continuing to undermine Medicare as a universal public health insurance system.’ Since I have been the minister for health, the government have committed some $11 billion in additional funding to the health portfolio—the vast majority of that in the area of medical services. Why would we invest $11 billion more in a system that we were determined to destroy? The fact is that this government do not just talk about Medicare; we invest the money in Medicare that Medicare needs.

We have just gone through an election. It was an election the pollsters said was fundamentally determined by health and education—an election where the pollsters said health and education were the most important issues. The fact that the government was able to win so decisively an election where health was the most important issue—as important as any issue—is a sign that the Australian people know that they can trust the Howard government with Medicare and they can trust the Howard government with their health care. I very much commend this legislation to the House.
Question put:
That the words proposed to be omitted (Ms Gillard’s amendment) stand part of the question.

The House divided. [9.21 a.m.]
(The Speaker—Mr David Hawker)

**Ayes**
- Abbott, A.J.
- Bailey, F.E.
- Baker, M.
- Barresi, P.A.
- Bishop, B.K.
- Broadbent, R.
- Cadman, A.G.
- Ciobo, S.M.
- Costello, P.H.
- Draper, P.
- Elson, K.S.
- Farmer, P.F.
- Ferguson, M.D.
- Gambaro, T.
- Georgiou, P.
- Hartsuyker, L.
- Hull, K.E.
- Jensen, D.
- Jull, D.F.
- Kelly, D.M.
- Ley, S.P.
- Lloyd, J.E.
- Markus, L.
- McGauran, P.J.
- Nairn, G. R.
- Neville, P.C.
- Pearce, C.J.
- Randall, D.J.
- Robb, A.
- Schultz, A.
- Secker, P.D.
- Smith, A.D.H.
- Southcott, A.J.
- Thompson, C.P.
- Tollner, D.W.
- Tuckey, C.W.
- Vaile, M.A.J.
- Vasta, R.
- Washer, M.J.
- Wood, J.

**Noes**
- Adams, D.G.H.
- Beazley, K.C.
- Bowen, C.
- Burke, T.
- Corcoran, A.K.
- Danby, M. *
- Elliot, J.
- Ellis, K.
- Ferguson, L.D.T.
- Fitzgibbon, J.A.
- Georganas, S.
- Gibbons, S.W.
- Grierson, S.J.
- Hall, J.G. *
- Hoare, K.J.
- Jenkins, H.A.
- King, C.F.
- Livermore, K.F.
- McClelland, R.B.
- Melham, D.
- O’Connor, B.P.
- Owens, J.
- Price, L.R.S.
- Ripoll, B.F.
- Rudd, K.M.
- Snowdon, W.E.
- Tanner, L.
- Wilkie, K.
- Wakelin, B.H.
- Windsor, A.H.C.

AYES

NOES

**Majority**

79

55

24

* denotes teller

Question agreed to.
Original question agreed to.
Bill read a second time.

Message from the Governor-General recommending appropriation announced.

**Third Reading**

Mr ABBOTT (Warringah—Minister for Health and Ageing) (9.27 a.m.)—by leave—I move:
That this bill be now read a third time.

Question agreed to.

Bill read a third time.
FINANCIAL FRAMEWORK
LEGISLATION AMENDMENT BILL
2004

First Reading

Bill presented by Dr Stone, and read a first time.

Second Reading

Dr STONE (Murray—Parliamentary Secretary to the Minister for Finance and Administration (9.28 a.m.)—I move:

That this bill be now read a second time.

The purpose of this bill is to amend acts that are a consequence of the commencement of the Financial Management Legislation Amendment Act 1999 (FMLA Act 1999) on 1 July 1999 and to update, clarify and align other financial management and reporting provisions. It proposes amendments to 112 acts and the repeal of 28 acts.

An exposure draft of the bill was subject to an inquiry by the Joint Committee of Public Accounts and Audit (JCPAA), which tabled its report (number 395), Inquiry into the draft Financial Framework Legislation Amendment Bill, on 20 August 2003. The government tabled its response to the report on 26 June 2004. The report’s recommendations led to changes to the bill that were agreed by the government in its response. The JCPAA inquiry was also of benefit because it provided an opportunity for stakeholders to discuss a range of important issues and to gain an appreciation of the similarity of many of the amendments proposed in the bill.

A number of other changes have been made to the bill since the exposure draft was released for the purposes of the JCPAA inquiry. These changes reflect recent developments. The Minister for Finance and Administration is notifying the Chairman of the JCPAA of these changes and the reasons for them.

In the second reading of the FMLA Act 1999, the then Parliamentary Secretary to the Minister for Finance and Administration, the Hon. Peter Slipper MP, foreshadowed that a consequential amendments bill would be introduced that will ensure that terminology in other acts is consistent with the Financial Management and Accountability Act 1997 (FMA Act) as amended by the FMLA Act 1999. These consequential amendments account for the bulk of the amendments proposed in schedule 1 of the bill.

The FMLA Act 1999 abolished the following three funds created by the FMA Act: the loan fund, the reserved money fund and the commercial activities fund. These funds were located outside the consolidated revenue fund as it was then envisaged. The balances of these funds were merged in the consolidated revenue fund and components of the reserved money fund and commercial activities fund were replaced with special accounts. A special account records amounts in the consolidated revenue fund appropriated for expenditure on the purposes of the special account.

The FMLA Act 1999 also reflected the adoption of the concept of a self-executing consolidated revenue fund. That is, that money raised or received by the executive government automatically forms part of the consolidated revenue fund without the need to credit a ledger account or a bank account designated as the consolidated revenue fund.

The FMLA Act 1999 provided that references in other acts and legislative instruments to the funds being abolished, and related terminology, were deemed to be read as changed to the new terminology introduced by that act. The amendments contained in schedule 1 of the bill are almost exclusively textual changes to acts to align them with the changed terminology introduced by the FMLA Act 1999.
Most of the amendments proposed in schedule 2 of the bill provide for the transfer of powers, from the Treasurer to the finance minister, to approve investments, money raising and guarantees of certain bodies that are legally and financially separate from the Commonwealth. Most of these bodies are authorities subject to the Commonwealth Authorities and Companies Act 1997 (CAC Act). The amendments also introduce clear delegation powers for the finance minister.

The transfer of these approval powers will co-locate in Finance, as one central portfolio, powers relating to the financial oversight of bodies that are mainly funded from the budget. This will provide for more efficient and effective decision-making in relation to the resources available to these entities.

Schedule 3 of the bill proposes the repeal of acts. Most of these acts would otherwise have required amendment of text to align with the FMLA Act 1999. However, because the acts are redundant, they are included for repeal instead.

Schedule 1 of the bill proposes minor amendments to the Australian Securities and Investments Commission Act 2001 and the Corporations Act 2001, again reflecting the concept that the consolidated revenue fund is self-executing. The Ministerial Council for Corporations has been consulted about these amendments and the required number of votes were received pursuant to the Corporations Agreement.

The bill also proposes amendments to the FMA Act and the CAC Act that are not covered by the types of amendments that I described earlier.

The amendments to the FMA Act are mainly of the following three types. The first concerns clarifying and expanding the information required, or allowed, in a determination of the finance minister that establishes a special account. This amendment reflects the government’s agreement to recommendation 1 of the JCPAA’s report 395.

The second type concerns specifying the membership, in certain circumstances, of an advisory committee that considers proposals for large act of grace payments or waivers, to replace a reference to the chief executive of the former Department of Administrative Services with a chief executive nominated by the finance minister.

The third type concerns clarifying delegation powers of chief executives of agencies, and directions relating to the exercise of a power or function delegated.

The amendments to the CAC Act align the offence provisions applying to the conduct of officers with the Criminal Code Act 1995.

This proposed law will update, clarify and align a wide range of financial management provisions applying to Commonwealth entities and thereby enhance the financial management framework of the Australian Government generally. I present the explanatory memorandum to the bill and commend the bill to the House.

Debate (on motion by Mr McClelland) adjourned.

ENVIRONMENT: TASMANIAN FORESTS

Mr ALBANESE (Grayndler) (9.35 a.m.)—I move:

Under standing order 47, that so much of standing orders be suspended as would allow the government to table the maps and precise boundaries for the 170,000 hectares of Tasmanian old growth forests it will protect in accordance with the deadline of December 1 stated in its own policy.

During the election campaign, the Tasmanian forests and the need to protect them became a major issue. The Howard government declared in its own policy, A Sustainable Future for Tasmania, that it would identify 170,000 hectares of old growth forest in Tasmania.
and protect it. That was backed up by a personal visit by the Prime Minister to Tasmania on 6 October. The Prime Minister stated at a press conference in Launceston: ‘The Tasmanian Environment Minister and Senator Campbell will get together and have the details of the government’s Tasmanian forest policy, including the precise boundaries, settled by 1 December.’ We now know, because of the government’s failure to do that, that it was a stunt. It was a grubby political trick. They have had nine years to get their act together.

Mr PEARCE (Aston—Parliamentary Secretary to the Treasurer) (9.37 a.m.)—I move:

That the member be not further heard.

Question put:

That the motion (Mr Pearce’s) be agreed to.

The House divided. [9.41 a.m.]

(The Deputy Speaker—Mr Jenkins)

<table>
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AYES

Abbott, A.J.
Bailey, F.E.
Baker, M.
Barresi, P.A.
Bishop, B.K.
Broadbent, R.
Cadman, A.G.
Ciobo, S.M.
Downer, A.J.G.
Dutton, P.C.
Entsch, W.G.
Fawcett, D.
Forrest, J.A. *
Gash, J.
Haase, B.W.
Henry, S.
Hunt, G.A.
Johnson, M.A.
Keenan, M.
Laming, A.

NOES

Adams, D.G.H.
Beazley, K.C.
Bowen, C.
Burke, T.
Carr, J.
Caldwell, J.
Causley, R.
Cobb, J.K.
Draper, P.
Elson, K.S.
Farmer, P.F.
Ferguson, M.D.
Gamboraro, T.
Georgiou, P.
Hartsuyker, L.
Hull, K.E.
Jensen, D.
Jull, D.F.
Kelly, D.M.
Ley, S.P.

Lindsay, P.J.
MacFarlane, I.E.
McArthur, S. *
Moylan, J. E.
Nelson, B.J.
Panopoulos, S.
Prosser, G.D.
Richardson, K.
Ruddock, P.M.
Scott, B.C.
Sliper, P.N.
Somlyay, A.M.
Stone, S.N.
Ticehurst, K.V.
Truss, W.E.
Turnbull, M.
Vale, D.S.
Wakelin, B.H.
Wood, J.

Lloyd, J.E.
Markus, L.
McGauran, P.J.
Nairn, G. R.
Neville, P.C.
Pearce, C.J.
Randall, D.J.
Robb, A.
Schultz, A.
Secker, P.D.
Smith, A.D.H.
Southcott, A.J.
Thompson, C.P.
Tolner, D.W.
Tuckey, C.W.
Vaile, M.A.J.
Vasta, R.
Washer, M.J.

* denotes teller

Question agreed to.
The **DEPUTY SPEAKER** (Mr Jenkins)—Is the motion seconded?

**Ms GILLARD** (Lalor) (9.46 a.m.)—I second the motion and say it is only an arrogant government that thinks it can break a promise without it being marked in parliament.

**Mr PEARCE** (Aston—Parliamentary Secretary to the Treasurer) (9.46 a.m.)—I move:

That the member be not further heard.

Question put:

That the motion (Mr Pearce’s) be agreed to.

The House divided. [9.47 a.m.]

(The Deputy Speaker—Mr Jenkins)

<table>
<thead>
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<th>Ayes</th>
<th>77</th>
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<td>Noes</td>
<td>55</td>
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<td>Majority</td>
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**AYES**

- Abbott, A.J.
- Bailey, F.E.
- Baker, M.
- Barresi, P.A.
- Bishop, B.K.
- Broadbent, R.
- Cadman, A.G.
- Ciobo, S.M.
- Downer, A.J.G.
- Dutton, P.C.
- Entsch, W.G.
- Fawcett, D.
- Forrest, J.A. *
- Gash, J.
- Haase, B.W.
- Henry, S.
- Hunt, G.A.
- Johnson, M.A.
- Keenan, M.
- Laming, A.
- Lindsay, P.J.
- Macfarlane, I.E.
- McArthur, S. *
- Moylan, J. E.
- Nelson, B.J.
- Panopoulos, S.
- Prosser, G.D.
- Richardson, K.
- Ruddock, P.M.
- Scott, B.C.
- Slipper, P.N.
- Sonlyay, A.M.
- Stone, S.N.
- Ticehurst, K.V.
- Truss, W.E.
- Turnbull, M.
- Vale, D.S.
- Wakelin, B.H.
- Wood, J.

**NOES**

- Adams, D.G.H.
- Beazley, K.C.
- Bowen, C.
- Burke, T.
- Corcoran, A.K.
- Danby, M. *
- Elliot, J.
- Ellis, K.
- Ferguson, L.D.T.
- Fitzgibbon, J.A.
- Georganas, S.
- Gibbons, S.W.
- Grierson, S.J.
- Hall, J.G. *
- Hoare, K.J.
- Kerr, D.J.C.
- Lawrence, C.M.
- Macklin, J.L.
- McMullan, R.F.
- Murphy, J. P.
- O’Connor, G.M.
- Plibersek, T.
- Quick, H.V.
- Roxon, N.L.
- Sercombe, R.C.G.
- Swan, W.M.
- Vamvakinou, M.
- Windsor, A.H.C.
- Robb, A.
- Schultz, A.
- Secker, P.D.
- Smith, A.D.H.
- Southcott, A.J.
- Thompson, C.P.
- Tollner, D.W.
- Tuckey, C.W.
- Vasta, R.
- Washer, M.J.

* denotes teller

Question agreed to.

Original question put:

That the motion (Mr Albanese’s) be agreed to.

The House divided. [9.50 a.m.]
AYES

Adams, D.G.H.  Albanese, A.N.
Beazley, K.C.  Bird, S.
Bowen, C.  Byrne, A.M.
Burke, T.  Crean, S.F.
Corcoran, A.K.  Edwards, G.J.
Danby, M.  Ellis, A.L.
Elliot, J.  Emerson, C.A.
Ellis, K.  Ferguson, M.J.
Fitzgibbon, J.A.  Garrett, P.
Geogans, S.  George, J.
Gibbons, S.W.  Gillard, J.E.
Grierson, S.J.  Griffin, A.P.
Hall, J.G.  Hatton, M.J.
Hoare, K.J.  Irwin, J.
Kerr, D.J.C.  King, C.F.
Lawrence, C.M.  Livermore, K.F.
Macklin, J.L.  McClelland, R.B.
McMullan, R.F.  Melham, D.
Murphy, J. P.  O’Connor, B.P.
O’Connor, G.M.  Owens, J.
Plibersek, T.  Price, L.R.S.
Quick, H.V.  Ripoll, B.F.
Roxon, N.L.  Rudd, K.M.
Sercombe, R.C.G.  Snowdon, W.E.
Swan, W.M.  Thomson, K.J.
Vamvakou, M.  Wilkie, K.
Windsor, A.H.C.

NOES

Abbott, A.J.  Andrews, K.J.
Bailey, F.E.  Baird, B.G.
Baker, M.  Baldwin, R.C.
Barresi, P.A.  Bartlett, K.J.
Bishop, K.K.  Bishop, J.I.
Broadbent, R.  Brought, M.T.
Cadman, A.G.  Cauley, I.R.
Ciobo, S.M.  Cobb, J.K.
Downer, A.J.G.  Draper, P.
Dutton, P.C.  Elson, K.S.
Entsch, W.G.  Farmer, P.F.
Fawcett, D.  Ferguson, M.D.
Forrest, J.A.  Gambaro, T.
Gash, J.  Georgiou, P.
Haase, B.W.  Hartsuyker, L.
Henry, S.  Hull, K.E.
Hunt, G.A.  Jensen, D.
Johnson, M.A.  Jull, D.F.
Keenan, M.  Kelly, D.M.
Laming, A.  Ley, S.P.
Lindsay, P.J.  Lloyd, J.E.
Macfarlane, I.E.  Markus, L.
McArthur, S.  McGauran, P.J.
Moylan, J. E.  Nairn, G. R.
Nelson, B.J.  Neville, P.C.
Panopoulos, S.  Pearce, C.J.
Prosser, G.D.  Randall, D.J.
Richardson, K.  Robb, A.
Ruddock, P.M.  Schultz, A.
Scott, B.C.  Secker, P.D.
Slipper, P.N.  Smith, A.D.H.
Somlyay, A.M.  Southcott, A.J.
Stone, S.N.  Thompson, C.P.
Ticehurst, K.V.  Toller, D.W.
Truss, W.E.  Tuckey, C.W.
Turnbull, M.  Vasta, M.A.J.
Vale, D.S.  Vasta, R.
Wakelin, B.H.  Water, J.

* denotes teller

Question negatived.

WATER EFFICIENCY LABELLING AND STANDARDS BILL 2004

First Reading

Bill presented by Mr Hunt, and read a first time.

Second Reading

Mr Hunt (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (9.53 a.m.)—I move:

That this bill be now read a second time.

Managing Australia’s freshwater resources effectively and efficiently is one of our most important environmental and resource management challenges. Without secure and high-quality water resources we would be unable to sustain our regional economies or urban communities. The long-term health of our freshwater ecosystems also depends on us minimising the negative impacts of agricultural and urban water consumption.
The emerging urban water problems in Australia are looking increasingly serious. One only needs to look at Melbourne, Sydney, Perth and south-east Queensland for a graphic illustration of the urban water issues. High rates of population growth, the strong economy, increasing demands for environmental releases and prolonged drought conditions are continuing to offset gains from conservation programs and are increasing the pressure on available water supplies.

Reduced rainfall and inflows to storages have resulted in much lower sustainable yields from available storages than had been projected as recently as five to 10 years ago. The Gold Coast, for example, will be past the sustainable yields of its existing dams in only a few short years. Previous estimates of the potential water available from unexploited dam resources are being revised downward as a result of the recent drought at a time when the population is growing at a tremendous rate. As a consequence the Gold Coast is now in the process of planning a new regional pipeline to collect water from a dam near Brisbane. Unfortunately this solution will only provide temporary relief and the Gold Coast is now rightly looking at recycled water as well as desalination and rainwater as part of its future water supply strategy. Water conservation has become more than a noble idea for the Gold Coast, but is now an integral part of meeting future water needs.

The Howard government has taken this challenge very seriously by committing significant resources to improving water management across the nation and by working in partnership with the state and territory governments.

Today I am introducing a bill for the introduction of a national water efficiency labelling and standards scheme that will require water efficiency labels to appear on a range of common water using products such as washing machines, dishwashers and toilets and also establish a regime for the setting of minimum water efficiency standards. But before I explain the detail of the bill, I would like to provide the House with the broader context of this initiative.

In 1994 the Council of Australian Governments (COAG) agreed to implement a strategic framework for the reform of the water industry. Through the implementation of water reforms over the last 10 years, Australian governments have made some real progress towards efficient and sustainable water management. The recognition of the need for environmental water provisions, the separation of water entitlements from land, and pricing reform, have all been significant steps forward.

At the COAG meeting in June this year, the government and the states and territories—except, unfortunately, for Western Australia and Tasmania—agreed to an intergovernmental agreement on a National Water Initiative. In essence, COAG recognised the twin imperatives to increase the productivity and efficiency of Australia’s water use and to ensure the health of river and ground water systems. It was agreed that opportunities for a cooperative national approach to further progress water reform exist in a number of areas. These form the basis of the National Water Initiative. Key features of the National Water Initiative include:

- secure and nationally compatible water access entitlements;
- improved water trading, to expand water markets to their widest practical geographic scope;
- accountable, outcomes-focused provision and management of environmental water; and,
actions to better manage urban water demand.

The urban water reforms are aimed at improving water use efficiency and demand management, making better use of stormwater and recycled water, and encouraging water sensitive urban design. There has been a lot of activity in this area over the last 10 years, including in the reform of water pricing in urban areas. This bill—the Water Efficiency Labelling and Standards Bill 2004—is a key initiative in support of the urban water reform agenda.

The government is also working with states and territories to develop national guidelines for water recycling—managing health and environmental risks. The new guidelines will cover water recycling and water sensitive urban design and be a part of the National Water Quality Management Strategy. The guidelines will increase the uptake of water recycling opportunities in Australia to provide new sources of supply in a way that protects public health and the environment.

In that context, this government is pushing forward with the implementation of its commitments under the National Water Initiative.

During the election, the government announced the establishment of the $2 billion Australian water fund. Investment under the fund will help achieve the objectives of the National Water Initiative through practical, on-ground water solutions. The three programs that make up the Australian water fund—Water Smart Australia, Raising National Water Standards and Water Wise Communities—will directly support improvements in how we manage urban water use. In particular, investment under the Raising National Water Standards program will support this water efficiency labelling scheme.

The government has introduced legislation in this session creating the new National Water Commission, a key commitment under the National Water Initiative.

The National Water Commission will have two vital roles:

- it will evaluate and advise on the reform progress under the National Water Initiative in accordance with the Intergovernmental Agreement; and
- it will also advise on project selection and administer projects under the Water Smart Australia and Raising National Water Standards programs of the Australian Water Fund.

So the Water Efficiency Labelling and Standards Bill must be seen as part of the government’s very significant achievements in relation to water reform and as a contribution towards achieving efficiency improvements under the National Water Initiative.

At just under 1,800 gigalitres per year, that is, 1,800 billion litres per year, household water use accounts for about 16 per cent of the consumption of the mains-supplied water in Australia. This is the second largest share of mains water use after agriculture, which, at around 8,400 gigalitres per year, accounts for around 75 per cent of consumption. Clearly whilst the ‘main game’ in water consumption will always focus on agricultural use, urban and household water use cannot be ignored, especially as our main urban centres are experiencing significant water supply problems. The dual effects of increasing population and the emerging impacts of climate change make efforts to manage urban water use ever more important. Indeed, between 1996 and 2001, the supply of water to households in the main urban areas increased by 13 per cent.

The purpose of the Water Efficiency Labelling and Standards Bill is therefore to es-
establish a water efficiency scheme for a range of important water-using products. Through the scheme, the government wants to empower consumers by providing them with information about the water efficiency of products so that they can contribute to water conservation directly through the purchase of more water-efficient products. This information will predominantly come in the form of labels on products covered by the scheme, but also from the associated website and promotional material.

The net savings to consumers are forecast to be substantial. By simply choosing more efficient products, by 2021 the community stands to save more than $600 million through reduced water and energy bills. And these savings will be achieved without any compromise in product performance or convenience or any major adjustment in user behaviour. A water-efficient washing machine performs its function just as well as an inefficient one, as does a water-efficient urinal. So the scheme will promote clever design that benefits both consumers and the economy.

The water efficiency scheme will be the first of its kind in the world. Given that pressure on freshwater resources is emerging as a truly global problem, the potential for Australia to position itself as a leading exporter of water-efficient technologies and expertise is significant. Underpinned by a robust technical regime, our exporters will be able to use the label as a platform for marketing the water efficiency of their products to a growing global market.

The government estimates that by 2021, water efficiency labelling will cut domestic water use by five per cent or 87,200 megalitres per year. A total of 610,000 megalitres—more water than in Sydney Harbour, for example—will be conserved by 2021. Nearly half the water savings will come from more efficient washing machines, about 25 per cent from showers and 22 per cent from toilets.

The scheme will also deliver substantial energy savings and greenhouse gas abatement through a reduction in hot water use. The reduction in greenhouse gas emissions for Australia is projected to reach about 570 kilotonnes of carbon dioxide equivalent per annum by 2021, with a cumulative total of around 4,600 kilotonnes of carbon dioxide equivalent by 2021.

The Water Efficiency Labelling and Standards Bill establishes a national legal and administrative structure for the scheme. And yet, in the true spirit of federalism, the scheme provides for working in partnership with the states and territories, which will enact complementary legislation. This mirror legislation will fill in the small constitutional gaps in the Commonwealth’s powers. Importantly, the states and territories have also agreed in principle to assist with funding the program using the usual population-based funding formula for any program costs that cannot be recovered through industry registration fees.

The government expects the scheme to commence in 2005. Initially, six appliances will be required to carry water efficiency labels: washing machines, dishwashers, toilets, showerheads, taps and urinals. Flow control devices will be covered on a voluntary basis. In addition to labelling, it is proposed that toilets will be required to comply with a minimum efficiency standard so that inefficient toilets with an average flush volume of more than 5½ litres can no longer be sold in Australia.

Under the framework set out in the bill, it will be possible in future years to introduce minimum water efficiency standards for additional water-using or water-saving products other than toilets, where the need for this can
be established. Minimum water efficiency standards will ensure that inefficient products can no longer be sold.

The bill will also allow the product range covered by labelling requirements to be expanded if this is found to be appropriate in future years. Whilst the scheme will initially cover washing machines, dishwashers, toilets, showerheads, urinals, taps and flow control devices, there is every reason to believe that further research and development will reveal that other products would benefit from labelling and minimum standards. For example, evaporative air-cooling systems and hot water systems are potential candidates for inclusion in the scheme.

Industry has been consulted on the detail of the proposal and I am pleased to advise that the scheme enjoys broad support.

The water efficiency scheme will help consumers make informed decisions about what products to purchase and the water, energy and financial savings that are possible. Industry will also benefit from the scheme because it will create a level playing field in relation to claims about water efficiency and provide for nationally consistent product standards.

In conclusion, in this Year of the Built Environment the water efficiency labelling and standards initiative provides another important way that all Australians can conserve water and so help to make our urban communities more sustainable. I present the explanatory memorandum to the bill.

Debate (on motion by Mr Edwards) adjourned.

TARIFF PROPOSALS


Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (10.08 a.m.)—I move:


The tariff proposal that I have just tabled contains alterations to the Customs Tariff Act 1995 (the tariff).

Schedule 1 of this proposal alters the tariff to specify that the chemical paraquat dichloride, classified to subheading 2933.39.00, may include an emetic added for safety reasons. Paraquat dichloride is commonly used as a herbicide.

By enabling the inclusion of paraquat dichloride with an emetic added for safety reasons in subheading 2933.39.00, the same duty outcome of ‘free’ is achieved as for paraquat dichloride that contains other allowable safety measures such as colouring or stenching agents.

This schedule also substitutes item 22 in schedule 4 to the customs tariff to accommodate changes in technology in the oil and gas industries. The new item reduces the cost of certain goods imported for use directly in connection with the exploration for, and development of, oil and gas wells.

The above alterations were previously tabled in parliament in customs tariff proposals during 2003. The alterations were also incorporated as amendments in Customs Tariff Amendment (Paraquat Dichloride) Bill 2004 and Customs Tariff Amendment (Oil, Gas and Other Measures) Bill 2004, respectively. These bills lapsed with the prorogation of parliament on 31 August 2004.

Customs Tariff Notice No. 1 (2004) was published in special Commonwealth Gazette S 367 on 1 September 2004 in order to continue the operation of these measures, on and from that date.

Failure to publish such a notice extending these measures after parliament had prorogued would have resulted in the reinstatement of the five per cent duty rate on paraquat dichloride containing an emetic, and the loss of additional concessions for the
oil and gas industry granted under new item 22 of schedule 4 to the tariff.

Schedule 2 of this proposal amends item 68 in part III of schedule 4 to the tariff to extend the SPARTECA (TCF Provisions) Scheme.

On 8 August 2004, the Prime Minister, the Hon. John Howard, MP, announced that the South Pacific Regional Trade and Economic Cooperation Agreement (Textile Clothing and Footwear Provisions) Scheme (the SPARTECA (TCF Provisions) Scheme) would be extended for seven years, to 31 December 2011, from its current legislated end date of 31 December 2004.

The SPARTECA (TCF Provisions) Scheme, which commenced on 1 March 2001, provides for the duty-free entry of certain textiles, clothing and footwear from forum island countries covered by the South Pacific Regional Trade and Economic Cooperation Agreement. The scheme is administered through item 68 in schedule 4 to the tariff.

Schedule 3 of this proposal amends the rates of customs duty applicable to certain alcohol and tobacco products specified in a number of items in new schedule 5 to the tariff. Schedule 5 sets out rates of duty for certain US originating goods, including those alcohol and tobacco products, in accordance with the provisions of the US free trade agreement.

Rates of duty for these alcohol and tobacco products are subject to adjustment, in February and August of each year in line with the Consumer Price Index (CPI). The US Free Trade Agreement Implementation (Customs Tariff) Act 2004 as enacted does not include rates that take account of the August CPI increase. Therefore, it is necessary to amend those rates of customs duty in schedule 5 to include that increase.

The alterations contained in this proposal ensure that rates of duty on those alcohol and tobacco products are consistent with duty rates for the same goods when specified in schedule 3 to the tariff and accord with the terms of the Australia-US free trade agreement.

A summary of the alterations contained in this proposal has been prepared and is now being circulated.

Debate (on motion by Mr Edwards) adjourned.

PARLIAMENTARY ZONE

Approval of Proposal

Mr LLOYD (Robertson—Minister for Local Government, Territories and Roads) (10.14 a.m.)—I move:

That, in accordance with section 5 of the Parliament Act 1974, the House approves the following proposal for works in the Parliamentary Zone which was presented to the House on 30 November 2004, namely: Replacement and extension of cooling towers—Old Parliament House.

This motion proposes the replacement and extension of the cooling towers at the rear service road of Old Parliament House, located in the parliamentary zone. Increased airconditioning capacity is needed to provide suitable climate control, particularly for museum purposes and to provide stable conditions for the care and preservation of valuable heritage items and fabric, as well as the need to satisfy occupational health and safety obligations. The existing cooling towers are now at the end of their useful life. I understand that the delegate for the Minister for the Environment and Heritage has decided that the project is not a controlled action under section 75 of the Environment Protection and Biodiversity Conservation Act 1999.

The proposed works include: excavation and construction of a link building between the existing cooling tower building and the
existing substation, extension of the existing cooling tower building in the opposite direction, the removal and installation of cooling tower equipment, and other minor works. The National Capital Authority has advised that it is prepared to grant works approval to the proposal pursuant to subsection 12(1)(b) of the Australian Capital Territory (Planning and Land Management) Act 1988. The Joint Standing Committee on the National Capital and External Territories was advised of the proposal on 17 November 2004. I commend the motion to the House.

Question agreed to.

VOCATIONAL EDUCATION AND TRAINING FUNDING AMENDMENT BILL 2004

Report from Main Committee

Bill returned from Main Committee without amendment, appropriation message having been reported; certified copy of the bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Dr NELSON (Bradfield—Minister for Education, Science and Training) (10.16 a.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

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

Cognate bill:

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

Second Reading

Debate resumed from 17 November, on motion by Dr Nelson:

That this bill be now read a second time.

Ms MACKLIN (Jagajaga) (10.17 a.m.)—Labor strongly disagrees with the Howard government’s unfair funding system that has delivered the biggest funding increases to the schools with the least need, but we will not jeopardise funding for all schools. Delaying the legislation before us today would stop the flow of funds to schools for 2005 and jeopardise the education of students in around 2,500 needy non-government schools and nearly 7,000 government schools. Labor is not going to punish hundreds of thousands of Australian students just because the Howard government continues to have an unfair schools funding system. That is why we will pass this legislation even though it will continue the biased and unfair funding system introduced by this government in 2001.

The Howard government has been giving massive funding increases to schools with the least need. These schools charge $12,000 in fees and educate less than five per cent of Australian school children, yet they have received staggering increases of up to 300 per cent since 2001. Government schools educate 70 per cent of schoolchildren but they have received a tiny 20 per cent increase—just indexation, in fact, for rising costs. Catholic schools educate 20 per cent of schoolchildren but they have received only a 25 per cent increase, hardly enough to cover annual cost increases.

The King’s School in Sydney, with its vast number of playing fields, rifle range, swimming pool, boathouse, museum with full-time archivist and multimillion-dollar centre for
leadership and learning, amongst a host of other top-of-the-line resources, charges fees of up to $17,000 a year and does not need, by its own admission, the 215 per cent funding increase it received between 2001 and 2004 from the Howard government. By contrast, Trinity Catholic College at Auburn and Fairvale High School, just around the corner from the King’s School, received respectively an increase of 20 and 25 per cent, mostly indexation, just to cover annual cost increases. That is 25 per cent for the Catholic college, 20 per cent for the government high school and a 215 per cent increase for the King’s School. It is just not fair. These schools do not have anything like the facilities at King’s. It is Trinity Catholic College and Fairvale High School, not King’s, that are in need of more resources.

Under a fair funding system, schools with the greatest need would get the biggest funding increases, but the Howard government’s unfair system delivers it the other way round. Under the Howard government we have had woefully inadequate funding for IT, buildings and facilities for the majority of schools. The current level of capital expenditure at government schools is way below that of other schools. This government has refused to provide any real increase in government school capital funding since 1996. In 2001, average capital expenditure at government schools was $336 per student, compared to $1,600 at independent schools. Catholic schools’ average capital expenditure in 2001 was half the average expenditure of independent schools. There has been no effort at federal responsibility, no vision, no commitment to great schooling for all under this government. Unfortunately the legislation before us today is just more evidence of this lack of responsibility, more evidence that this government does not believe in giving all Australian children a great education.

These bills continue to favour the small number of students in the most expensive schools and neglect the vast majority of students in government schools and needy non-government schools. The general recurrent funding arrangements provided by this legislation for non-government schools are unsustainable. Under this arbitrary and damaging system the Howard government has frozen funding growth for more than 60 per cent of Catholic schools, leaving them with no security about their financial future. But, as I said before, schools are dependent on the passage of these bills for their immediate future. If these bills are not passed by the end of this year, many schools will be unable to pay their teachers in 2005 and schools will not be able to secure the resources they need to meet the needs of their students. So we will not jeopardise that funding.

However, I am today going to put forward an amendment in good faith that brings some integrity to the educational programs that the legislation supports and I hope the minister will bear it in mind and recognise that it is being put forward in good faith. I hope we can include at least part of it. Labor believes that there should be different principles underpinning Commonwealth funding for schools and these are set out in my second reading amendment, which is now being circulated in my name. 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:

(1) condemns the Government for its unfair funding policies for schools

(2) believes that there is a need to restore integrity and sustainability to Commonwealth funding of schools through the adoption of comprehensive principles that include:

(a) supporting high quality public schooling as a national priority;
(b) recognising the entitlement of all children and young people to national standards of educational results and resources;

(c) giving priority in funding for all Commonwealth programs for schools to meeting the educational and financial needs of schools;

(d) recognition of the right of parents to choose the type of schooling for their children and to public funding for that schooling based on need; and

(e) Commonwealth funding for schools to be provided as part of a national partnership with State and Territory governments so that all governments work together to deliver high quality schooling for all”.

The first of these principles is to establish quite clearly that the Commonwealth has an explicit responsibility for the quality of public schools across Australia. For over a century public schools have been the crucible for the education of the vast majority of Australians—and I am sure the vast majority of people in this House—from all walks of life and from all social, economic, religious and cultural backgrounds. They continue to be the only way that governments can guarantee access to a high quality of education for all. We cannot walk away from our responsibility at the national level for the future of our public schools. But the Howard government has refused to provide this support. Instead, we have seen the Prime Minister, the Minister for Education, Science and Training—who is at the table today—and other senior ministers of the cabinet attacking for political reasons public schools and the teachers who work in them. Labor believes that the federal parliament must make public schools across Australia a national priority.

Achieving these national goals of schooling for all, however, cannot take place in a resources vacuum. Labor supports a national schools resource standard to make sure that we provide the resources schools will need to deliver a great education. This requires a recurrent standard guaranteeing all students access to the teachers, teaching support, curriculum, learning materials and parent and community liaison that they need to realise the national goals for themselves. The absence of an explicit resource standard for schools is a major fault with the funding arrangements set out in these bills. The bills do link general recurrent grants to a measure of average government schools recurrent costs, known as AGSRC. But there is no connection between this measure and the educational goals we want all students to achieve. It is simply an after-the-event calculation of the national average of recurrent expenditures by state and territory governments on each primary and secondary student in our government schools.

The minister I am sure knows that AGSRC is a measure of state and territory expenditures. To the extent that Commonwealth general recurrent funding has any connection with educational goals it is the outcome of state and territory decisions. There is no clear rationale for the way that AGSRC is used in these bills. Schedule 4 part 2 of the legislation shows that the minimum grant for the one or two non-government schools at that level is set at 13.7 per cent of AGSRC per student. Why 13.7 per cent, Minister? Maybe when he is re-
sponding to the bills he could give an explanation. General recurrent grants for non-government schools range over 46 categories, up to a maximum of 70 per cent of AGSRC. Why 70 per cent, Minister? The answer, if he is telling us honestly, will be that the levels of funding in fact are entirely arbitrary. Students and families deserve more than this. They actually deserve an explanation of how school funding will deliver good education, and they deserve to have that good education delivered.

One of the critical problems with these bills is that they do not contain any reference to need in the allocation of general recurrent funding. There is an undefined reference to need in the definition of capital expenditure and in the heading for literacy, numeracy and special learning programs and for other short-term emergency assistance for non-government schools. But what is required is a much more central place for the principle of need in allocating Commonwealth funding to schools and systems. Labor will move a substantive amendment to include need in the definitions in section 4 of the legislation.

Our definition would include two elements. Firstly, the educational needs of individual students and groups of students are varied. Achieving national standards for common goals and learning outcomes is one thing, but it is also important to recognise the personal ambitions and cultural needs of students in the teaching and learning programs that they experience. Secondly, the resources students and schools require to achieve these educational standards are also relevant. Our amendment will require assessments of need to include considerations of the resources available to schools and systems.

The final overarching principle in Labor’s amendment is securing the role of the federal government within a national partnership with state and territory governments for achieving national educational and resource standards for schools. This government has not even tried to develop a comprehensive national agreement on schools funding. Instead, it has adopted a sledgehammer approach with its funding conditions. Where all else fails—as we have heard so many times from this minister—blame someone else for any shortcomings. Labor’s approach is to develop a genuinely national agreement where all levels of government are explicit about their responsibilities for the provision of financial assistance to government and non-government schools.

By contrast, the bill requires a commitment by school authorities to curriculum development in key learning areas, physical activity in primary and secondary schools, national consistency in school starting ages and preparation for the first year of primary school. All of these are good things and we support them. However, we do not believe that it is necessary to drive such reforms through threats to funding. In fact, most state and territory ministers have already started on such reforms through the ministerial council. Many independent schools, I am advised, will have difficulty implementing some of these reforms without considerable assistance from both state and federal authorities.

On staffing devolution, I do support school principals having greater responsibility for the management of their schools, including school staffing, but there are a number of practical problems. In particular, devolution of responsibility to school principals is frankly irrelevant in those schools where they cannot get teachers. We do have to make sure that we support schools and systems to develop more strategic ways of recruiting and retaining school staff in hard-to-staff areas. This often requires system-wide recruitment incentives and rewards. I know that those system-wide recruitment incen-
tives exist in many states. I also am aware that the Premier of Queensland, Mr Beattie, has written to the Prime Minister about this matter, and I certainly hope that, as a result of that productive correspondence, the amendments that we will move will be accepted. They will provide flexibility for school systems which would be consistent across the government and non-government sectors.

Some of the more contentious aspects of the bill are those relating to reporting to parents and the broader community on student and school performance. We certainly agree strongly with the minister that reporting to parents should be in plain language, but it also has to be educationally defensible. Reports to parents, to be of value to parents, need the range of achievement in the child’s class to be reported against educational standards. We will support the provision in the bill, but I would also hope that the minister would support Labor’s proposed amendments in this area which seek to add some value to this provision. We also agree that parents deserve much more helpful information on their children’s educational progress, so I will be moving substantive amendments that require parental involvement in the development of the content and format of reporting on students’ learning.

The bill also includes conditions that require information on school reporting to be specified in regulations and made publicly available. There is no question that there is a place for external reporting on school achievements, but it has to be done on the basis of one principle and one principle alone—that reporting is in the educational interests of children. This means that reporting to parents on their child’s performance helps them understand what needs to be done to achieve their child’s potential. It also needs to help teachers develop the best educational programs to enable students to do this.

The same principle should apply to the comparative reporting on school performance. It has to help the school to improve their own performance and to do even better for their students. This can only be achieved if school reporting is comprehensive, not just on average figures against national or state benchmarks. As well as providing a range of information on students’ learning and outcomes, the report has to be clear about the context in which the school is operating and the characteristics of the students they are serving.

So, once again, I will be moving substantive amendments to achieve this more comprehensive approach, including provision of information on a school’s resources from all sources; its enrolment policies and practices, such as the enrolment of students with disabilities and the enrolment of Indigenous students; the qualifications of its teaching staff; the range of curriculum offerings at the school; and details of its policies and programs on student discipline and welfare, bullying and child protection. As with the reporting on individual students, Labor’s amendments will require parents to be involved in the design of school reporting content and formats.

This bill also makes provision for an additional $1 billion over the next four years for capital infrastructure in both government and non-government schools, in line with the government’s election commitment. Leaving aside the fact that it is less than half the funding for needy schools promised by Labor, this commitment is welcome. The Howard government, I am pleased to say, is following federal Labor’s lead, with a plan to deliver more capital and infrastructure funding to needy schools.
During the election campaign, the government was forced to commit to providing more funding to needy schools in response to Labor’s $2.34 billion needs-based schools funding policy, which included more funding for government schools and a redistribution of funding within the non-government sector to needy non-government schools. The extra capital and infrastructure funds for needy schools are an important victory for federal Labor and, at last, a significant admission that the Howard government has been under-funding needy schools in both the government and non-government sectors for eight years.

In this bill, the government, I am pleased to say, has excluded well-off independent schools from the new funding, although who is defined as well off and who will be excluded, I certainly do not yet know. I am looking forward to the minister explaining that. This is a clear acknowledgment that many high-fee schools already receive more government funding than they need and is a ringing endorsement of Labor’s fairer schools policy. Labor’s amendment on need would address this problem.

But, once again, the government cannot help itself. It has decided to blame the states for the way in which they allocate capital resources for schools and to not take any responsibility itself for not increasing capital funding for the last eight years. Unfortunately, it is another example of this government’s hostility to public systems. The minister has said that the additional $700 million for capital works in government schools will be provided directly to the schools, with priorities determined by each government school community organisation.

The wording of the legislation in relation to this matter, however, is more realistic than the government’s rhetoric. Section 69 states that capital expenditure for government schools ‘may be provided by paying the assistance to the state for the approved government school community organisation’. So the wording of the bill at least reflects the reality that payments for capital works in schools will have to be done with the agreement of the owners of the property. For government schools, that is of course the states and territories.

The government is again acting inconsistently in its conditions for non-government school communities. Priorities for the additional $300 million for non-government schools will not be determined by each school’s community. In non-government schools, parents will not be included, according to the government’s bill. They will continue to be administered by block grant authorities for Catholic and independent schools. Labor is concerned about the inconsistencies between the government and non-government sectors in the way in which these capital funds will be delivered. For the life of me, I cannot understand why parents in government schools are going to have the right to be involved but parents in non-government schools are not.

The amendment I have moved requires both a system-wide approach to the setting of priorities that are based on need and that we involve parents in overall priorities in both sectors. This will strengthen the role of parents in the program, while maintaining a strategic approach to the setting of priorities for the distribution of capital funds, based on need. The alternative would be a bureaucratic nightmare leading to the diffusion of the benefits across schools with considerably varying levels of need.

The second bill we are considering today, the States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004, contains amendments to the current act. The most significant change in
this bill is the introduction of the government’s tuition credit initiative. This initiative was also included in legislation that had passed the House and was about to be considered in the Senate in the week that parliament was prorogued before the election. It is intended, through this bill, to provide ‘up to’ $700 for parents to purchase tutorial assistance for children if they have failed to achieve national benchmarks in year 3 reading tests. The total budget for the initiative is $11 million. We did some quick calculations. There are around 269,000 students in year 3 across Australia. We know from the national report on schooling that around 90 per cent of year 3 students achieve the national benchmarks, which means that over 26,000 children would be eligible for a tuition credit. This suggests that the $11 million would be distributed to parents for the 26,000 children not at a rate of $700 per student but at an average of around $420 per student.

Dr Nelson interjecting—

Ms MACKLIN—The Minister for Education, Science and Training says that these numbers are different, so he can explain that in his response to the bill. It is not much, I would have to say—whether it is $700 or $420—for some of the neediest children in our schools. Yesterday the minister was railing about the terrible literacy standards in some of our schools, among children for whom for the whole time they have been in school this government has been in power. For the whole time children in year 3 have been in school, the member for Bradfield has been the minister for education. He did not do anything about literacy standards over the last three years. He did not put additional funding into literacy for these children. These children can hold this minister responsible for the fact that they did not get additional support when they needed it most. Of course we are going to support this additional money going into literacy, but it is far too little, too late.

This government has been going on about literacy since it was elected in 1996, but the evidence is that there are still far too many children who cannot read and write. This government has known about that for a long time and has sat on its hands, finally admitting yesterday that it has done nothing about it. Unfortunately, children have had to wait months even for this latest level of support. The government did not make this bill a priority before the election. If it had, this money could have been flowing already. We now have the unfortunate situation where we know that schools are going to be on holiday very soon. It is likely that it is going to be very difficult to get the tutoring organised before next year, and certainly it is going to be far too late for children to get the benefit of this money that was promised for this year.

There are so many things that the government is going to have to get right before this money can flow: appointing brokers to identify eligible students and parents, assessing the kind and amount of tutorial assistance needed by individual students, finding appropriate tutors. We need to make sure that these tutors are assessed for a whole range of security issues, as well as for their capacity to be decent tutors. We all want to make sure that the government is spending the money wisely on those children who need it the most. We are very concerned that the government has left this so late, and we hope that it can be done properly as quickly as possible. Given that this is all so late, the government should continue to consider other approaches to the delivery of this additional literacy money, including direct funding to schools to allow for a proper study of alternative programs. We will watch the operation of this initiative very carefully, and
we look forward to seeing the evaluation of the pilot next year.

This legislation unfortunately squanders the chance to focus significant funding on real educational priorities. The bulk of the funding in the legislation will go towards paying teachers’ salaries, and it is essential that school authorities are able to meet this obligation if all schools are to operate without disruption next year. But the funding is unfairly distributed amongst our schools, having regard both to their disparate financial needs and any proper sense of educational priorities. Labor will continue to put forward policies that focus on real need and on true educational priorities, such as support for quality teaching and for equality of access to it across this country.

The DEPUTY SPEAKER (Mr Lindsay)—Is the amendment seconded?

Mr Bowen—I second the amendment and reserve my right to speak.

Mr LAMING (Bowman) (10.44 a.m.)—Today, by way of the excellent Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 and the States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004 and what they offer to the future of Australia, I am delighted to report to the people of Bowman the first of my eight priorities coming to fruition. They include a uniform starting age—and I notice that the Beattie government has only reluctantly started thinking about a prep year with the rolling in of GST revenue—national testing in maths, science, civics and citizenship education and ICT; plain language reporting to parents; objective data on school performance; and the National Safe Schools Framework, which promotes and provides a supportive environment in which all students can feel safe, which is obviously an essential function of all schools. The framework is a great example of collaboration between jurisdictions. It is never an easy thing to achieve, but certainly I have every faith that a minister who has dealt successfully with vice-chancellors will do just as well at MCEETYA.

In my first speech I spoke about the importance of a blended model of public and private provision in health and education. I commend these bills today because they deliver funding increases, and those come as a direct result of solid economic decision making by this government. It is breathtaking to hear the opposition talking about funding guarantees. It is a cruel irony that in opposition you can oppose every fiscally responsible measure as your toenails rub on the ground trying to prevent the successes of the economy in the last 8½ years and then, when it comes to election time, make extravagant promises. Of course, you have never been put under the blowtorch to assess your own economic management. You are good at obstruction and you are good at promises, and you became very good at them over 8½ years.

The DEPUTY SPEAKER (Mr Lindsay)—Order! I remind the member for Bowman that the use of the word ‘you’ is out of order in this context. Comments will be addressed through the chair.

Mr LAMING—My apologies. The funding increases delivered by this government are a product of great economic management. By embracing all non-government schools in the SES model, we now have the Catholic school system coming on board. But, tragically, over the last two elections we have been bogged down in ideology. I would put much of that down to the opposition’s fixation on rich versus poor in school funding. The great tragedy of subverting the higher issues in education is that it has become the overwhelming and abiding issue in
every election campaign. The opposition has subverted informed debate. Some of the great ideas in these bills today have never been able to be adequately discussed around election time—despite, I suspect, the great desire of many Australian parents to learn more about them.

This has come at a great price for Australia. Labor describes education as a national priority, yet I hear the words of the opposition spokesperson, the member for Jagajaga, and see, lined up behind her, state premiers and territory leaders—all eight of them—providing absolutely no support or backing or any evidence that as a Labor government they would do anything like what she described today. She has referred to a national schools resource standard. I know that that sends chills down the spines of many people who run schools, because there is no clear indication of what that means.

Over the last two election campaigns there has been a breathtaking focus on redistribution at the expense of everything else. This is an ideology that has long waned in other parts of the globe. By any meaningful international comparison, our expenditure on education is in the top nine or 10—depending on whether or not you include vocational training—for expenditure on public education as a proportion of GDP. Of course, the education sector benefits directly from great economic management and strong growth.

The opposition have a predilection for looking back into history, casting their minds back and trying to find where they might have had some role in the strong economic growth of the last 10 years. As they look back on the era of previous Labor governments, they often tend to forget that fiscally responsible measures were in the main part supported by us while in opposition, but we have seen a completely different approach from them while in opposition.

Let me diverge slightly by making a comparison between today’s debate about education funding and the opposition’s position on health funding. I do that for no other reason than to indicate that by tacking to the winds of political expediency you often leave your policy platform in tatters. We know that there has been an immense ideological struggle within Labor about whether or not to support the 30 per cent private health rebate. We are agreed on the $24 Medicare rebate to every Australian and the access to the PBS. You on the other side of the chamber have now demonstrated an ability to move with the times in acquiescing with the Australian people and agreeing, with some reluctance, to the 30 per cent rebate. I am not sure how much of that agreement is due to internal Labor polling indicating that over 70 per cent of soft Labor voters would have changed their vote had the PHI rebate been removed, but now you stand supporting that 30 per cent rebate for those who choose to leave the public health system and privately insure themselves.

Let us now draw an analogy to education. Parents of all socioeconomic levels are choosing to send their children to independent schools. What sort of support do they deserve? You have just agreed on 30 per cent support in health, but you struggle with 30 per cent support in education.

The DEPUTY SPEAKER—Order! The chair has not agreed to anything. Please desist from using the word ‘you’.

Mr LAMING—The opposition has consistently supported the 30 per cent private health rebate—though with some reluctance—yet they struggle greatly with even 15 per cent of the average funding to a state school student being provided to people who choose an independent school. That support
is between 15 and 60 per cent of the average funding to a state school student, yet the opposition has had great difficulty in supporting that range in education.

There might be some grounds for compassion for the opposition’s position if private education, non-government education and private health were the preserve of the rich—but that is simply not the case. In health, of the top three deciles—those with above $78,000 in annual earnings—one in four do not have private health insurance. In education, half of those with incomes of over $104,000 have children attending government schools. In the bottom four deciles, of families with below $33,000 average earnings per year, one-third takes out private health insurance. More than 20 per cent of that group make a choice to send their children to non-government schools. It is that choice that is embedded in this bill today; it is the choice of Australian parents that I believe has also provided us with an election mandate to pass this bill.

I suspect that at the bottom of this is the opposition’s complete ideological inability to countenance any form of choice—except, of course, where electoral expediency determines otherwise. There was some criticism today by the opposition spokesperson about the average government school’s recurrent costs as an adequate formula for funding increases. I certainly know of no better funding indexation available, and I know that many areas of government would be envious of that form and level of indexation. I recall someone in this place recently saying, ‘It is not the embrace but the warmth of the embrace.’ I suspect that when we had a schools forum during the election campaign the words from the Labor song sheet were, ‘So many schools would be no worse off under Labor. Those that were better off were usually the recipients of a mere $2 per week per student.’
government schools. I commend that as well. That is a total of $2.5 billion in capital funding. Of course, there is also the plan to grant hostel funding of $2,500 per student over four years. I welcome and support that.

From 2005, as a condition of funding, schools will be required to report to parents in years 3, 5 and 7. I sometimes wonder if we are living in completely different worlds when I notice the rubber marks of reluctance left on the road by those that are against adequate reporting, clear report cards and school accountability. That reluctance still exists, although I suspect it is waning. This bill will require school reports to abide by broadly stated principles. It will ensure that parents receive timely, plain-language feedback on their child’s performance. There can be nothing more concerning than receiving report cards that do not reflect how your child is going. What could be more important to a parent than knowing that their child is achieving, benefiting and extracting absolutely every opportunity from the educational experience? While we have report cards at the moment, I know that this is not the case and I suspect it is a cause of great frustration for parents in my electorate.

Investment in education stacks up well internationally. Underpinning this entire debate about poor funding of the public sector—apart from the understanding that 88 per cent of state school funding is done by state governments who are completely able to increase their funding over and above inflation, should they choose—is an international comparison. In that comparison we stacked up very well on OECD measures.

I think that those international measures are reassuring. They show that we are making a commitment to public education but, with the public-private blended model that this country can boast, we have the best opportunity to embed the skills and qualities in our graduates that will determine the quality of life of this country, its achievements and its growth. Of course we need a uniform, nationwide education starting point. We need comparable outcomes from our school systems and recognition of and incentives for teacher quality. These are more than just platitudes. It is absolutely imperative that we have awareness of school performance through objective measures.

We need safe schools committed to teaching values, justice for Indigenous Australians in teaching and, of course, a commitment to act where those schools are not performing. This bill will deliver these things. I commend the Minister for Education, Science and Training and his department. With the combination of electoral will and reform by public choice, with the disappearance of dogma that we have seen over the last 8½ years and with the influx of new ideas, I believe that eventually the opposition will come to agree that the great majority, if not every part, of this bill is right for Australia.

Mr Hatton (Blaxland) (10.59 a.m.)—I know the member for Bowman has got a licence to practise, but there was also a bit of licence within his speech with regard to a considerable time spent on a health initiative. Then, luckily for all of us—you, Mr Deputy Speaker Lindsay, as well as me and everyone else—he came back to the matters at hand.

The Deputy Speaker (Mr Lindsay)—I think you are reminding the member for Bowman about standing order 76.

Mr Hatton—I think I may be. We have two bills before us today; it is a cognate debate so we will deal with two elements of what the government is putting before us. At stake within these bills is $33 billion of funding to go to Australian schools. That funding, by and large—$27 billion of it—is through recurrent per capita grants to Australian schools. There is another $6 billion and that
comprises special purpose programs as well as other initiatives in the capital area.

The shadow minister has moved a significant set of amendments to these proposals. In doing so, she has gone to the core of the fundamental problem in this bill, and that is that the government’s socioeconomic status model of funding has significant difficulties. Labor have been saying that for a considerable period of time. We have argued that a needs based education system is what Australia had under Labor governments, and that is what Labor would reimpose on coming back to government. Within the very provisions of these bills is the evidence that the government’s socioeconomic status system simply does not work. In not just one bill but two, there are adjustments made due to the fact that you cannot fit the Catholic system into the socioeconomic status system. There is an attempt in the legislation to fully integrate the Catholic system, but you have to take a series of other measures to compensate for the fact that it will not fit neatly, and that is done in the prime bill, Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004. In the second bill, States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004, there are changes to correct a technical defect in the SES funding phasing in arrangements for non-government schools under the general recurrent grants program so that schools will receive their correct entitlement for the 2004 program year.

That technical defect is embodied in a much wider context of a much greater defect in this whole SES model. The government do not want to want to realise it; they do not want to talk about need in education. They think that this formula that they have put into place will do the job. It will do the job if you do not really want to pay the money to the people who need it most and if you want to take into account an SES model that is based on a series of assumptions that would have you believe that there are professionals in Australia who do not understate their income. When you look at the income people get—whether it is in farming, law, accountancy or otherwise—and then look at the taxable income that they get, you would have to believe that the government was right in saying this really reflects that a school is very poor.

We know there are a number of private schools in Sydney that would claim that they have a number of significantly disadvantaged students, because the income base of their parents is very low. But I think the Commissioner for Taxation understands that that is a managed effect and that people across a series of industries are able to end up with a taxable income which is much lower than that of the ordinary citizen in Australia. Those people who send their children to Catholic schools or public schools, people who work for local councils, state governments or federal governments, or people working for major companies—ordinary working people—do not have any chance to minimise their income.

The real core of the SES model is that those who already do significantly well out of this government will do even better. They will be able to send their children to schools that are not only quite privileged but also have had an overabundance of support from this government over the last couple of years. They will also be able to attempt to justify that based on what is a rigged system. I reject the SES model that this funding is based on. That is why I support the needs based policy that the shadow minister has put forward. Labor’s policy does go to the real needs of poor and indigent populations—those populations that do not have the capacity to do more than work as hard as they can to provide for all of the needs of their fami-
lies and to pay their schools, whether they be public schools or Catholic schools. There is not much left over in terms of savings, and if you cannot reduce your income with the taxation commissioner you do not have much margin at all. The return to those families and students from Labor’s needs based system is much greater than what they will get out of the provisions in this legislation.

There is a significant problem for everyone in the education system when you come to look directly at the government’s model. We know that some years ago they moved to a quadrennial model—giving funding over a four-year period—rather than the previous triennial model. We also know that that is when they incorporated their overreaching assistance to schools that are extremely well off in terms of their facilities. Despite the fact that we do not agree with that, Labor have said that we will not attempt to do anything but support the passage of these bills through the House, because we will not put at risk the funding of schools Australia wide, particularly Catholic schools and other independent schools. People from very poor areas like mine, in the electorate of Blaxland, need to be assured that the funding for their schools is safe for the next four years. We will support these measures even if we disagree with the fundamental basis for them.

This legislation extends, for a four-year period, what is currently an inequitable funding system. Inevitably, we cannot do anything about that except to point to its deficiencies and its impact. The first point is that there are virtually no recurrent increases above indexation for government schools. The second point is that, for yet another four years, this continues increases of 200 per cent or more to some of the best-resourced independent schools in Australia. There is a lack of funding security beyond 2008 for the 60 per cent of Catholic systemic schools which have been categorised as ‘funding maintained’ because they do not actually fit into this system. They fit into a needs based system, as was demonstrated throughout our period in government, but they do not slot in here. That is why Catholic schools have to do a special set of deals in an attempt to jam themselves in and make themselves fit. They have done that to avoid the funding cuts that would have been applied if they had been funded at the levels set for their socio-economic scores. That is this bill’s major deficiency.

We also see here that the government has put in funding that is conditional on the states and non-government authorities agreeing to Commonwealth priorities; it is mostly in regard to non-contentious issues. The first condition is that there be a nationally consistent curriculum. I have no problems with that at all. I know what work and effort we put in whilst we were in government to attempt to get nationally consistent standards for teacher training, teacher transferability and core curriculum for students Australia wide so that not only teachers but also students in an increasingly mobile Australia would be able to transfer from one state to another without being penalised. The second is that there should be a common school starting age. The third is that there should be physical education programs as a core part of those schools’ activities. The last is the development of plain-language school reports.

As a former teacher, I have no real problem at all with those provisions—and with the last provision, in particular. But I do know that no matter what system, style or approach you adopt in attempting to report the achievements and goals gained by students it is a shorthand for all of the work those students have done and it is a shorthand by which you attempt to encapsulate appropriately how much they have achieved. I do not think that is entirely possible, no matter what system you provide—whether it
is A to E, 1 to 5 or a series of other systems. I have seen almost all of them. They all have their deficiencies. For anyone within the education system this is no real challenge; throughout their teaching lives they struggle with these systems to provide as much information as possible.

But there is a bit of background to all of this. It is a background to what this government really sees as its fundamental priorities and approach to this area. The Commonwealth does provide significant funding, particularly to the Catholic education system, small non-systemic schools and in the Anglican system and so on. But you have to go to the state governments, the Catholic education system and others to see what their fundamental responsibilities are for the education of Australian students. But this government is seeking to do it on the cheap—to get the publicity for demanding that all of these national programs be adhered to by the states and to be able to whinge and wail from one end of the parliament to the other if there are any deficiencies in that regard. We saw that with the previous minister and we see it now.

The government set its standard in 1996. On coming to office, it gave instructions for the setting up of a National Commission of Audit. The National Commission of Audit reported and said that it saw no real job whatsoever for the Commonwealth apart from one particular role: the Commonwealth should benchmark performance and then audit performance. So the states and territories get to do all the real work; they get to deal with all the significant and difficult problems. They have all of those tasks before them and have to grapple with real-time issues and real people. And the federal government gets to sit up here on this hill in Canberra and crow about any difficulties that those states and territories have in implementing their programs and doing their very real job.

So the money is given out and programs are put in place by which the government can create the impression that they are doing a lot and they have a significant role to play in secondary education. But the reality is that they have none. They have no responsibility apart from providing the funding and apart from providing a situation where people can attempt to build a set of national programs, a nationally consistent curriculum and national core abilities. We did that in government. It is not a bad or wrong thing to do and I think it is sensible to continue to work to it. But the government are very good at getting advertising out of what is, in fact, a very narrow range of initiatives. I will give them this on some of these initiatives: they are politically very clever. It is not the most sensible or sane way to run your funding programs, but I will give you an instance of that.

This bill provides $1 billion for capital works in government and non-government schools. That is consistent with what the government promised at the election. But this funding—and this is very different from what happened previously—will be paid directly to parents’ associations in public schools. It will go directly to parents’ associations, because they are the ones concerned with the fund-raising drives to try to do more with their school. And what is the government doing with the Catholic system? Is it going to parents’ organisations in the Catholic system? The answer is that funding for non-government schools will be paid directly to the relevant authorities. Who is that? That is the block grant group within the Catholic system. That means that capital funding will be applied more strategically. But the federal government will not trust the state governments to do that. It will not trust the school principals. For political effect, the funding will go direct to the parents’ organisations. What is good for the goose is good for the gander: why not do it in the Catholic system
as well or, with the Catholic system, go to the central authority? Why not pay it directly to the government school system or to state governments?

One of our amendments moves to ensure that capital funding goes also to the schools with the greatest need—and, of course, the greatest need versus their socioeconomic status. You can rig the socioeconomic status of your school in such a way that you are significantly advantaged. This system hurts the Catholic system because its schools do not fit; they are much better off in our model. Generally we think this should be pursued.

There is another instance in the associated bill that we are dealing with today, and it is another little bit of cleverness in terms of how the funding should be given in regard to the Tutorial Credit Initiative. The government here is putting in a pilot program where parents will be told if their child did not achieve the year 3 minimum national reading benchmark in 2003, and the government says such parents will get a $700 voucher to purchase additional reading assistance for their child. That is an initiative that you could not gainsay and would welcome. It is a sensible thing to do in order to help those children catch up. But, from our point of view, it is politically smart to pay it direct to the parents. They are getting this direct from the Commonwealth government as part of the program. But we think there ought to be better focus, given that this is Commonwealth money being spent on those areas and schools that have the most problems with reading difficulty. Rather than being individualised, the focus should be more directly on the areas and students with greatest need.

All up, the bill will increase spending on literacy and numeracy to the tune of $11 million. However, according to the shadow minister, from what she has been able to look at here, if you run that amount over the 26,000 students, the government is arithmetically challenged. If you divide $11 million by 26,000 you actually get about $420 a student, not $700. At the end of the discussion on this bill I would like to know from the minister or the parliamentary secretary what is true—is it the $420 or the $700? Is the $700 just a con job, or is it made up on the basis of discounting a number of those 26,000 people who are supposed to get it? Do you think there is an effect where one-third of the people will not take up that money? We expect a specific answer in regard to that allegation.

Further, what is the situation for schools and principals with regard to that? What they say is pretty simple. They say that they would rather that the funding go directly to them than that it cut across schools' own remedial programs. They see that a more defined and sensible way to apply this program is not to individualise it to individual parents and students but to allow those areas with greatest need—as demonstrated in terms of the problems students have reading at school and elsewhere, identified in those national tests—to put it where it is most effective: with the teachers and programs that are trying to remediate the problem in the first place.

I come back to the amendments that the shadow minister put before this House. We are not going to stop this bill, blocking it here or in the other place. We know that the Catholic system in particular is entirely dependent on these funds for the next four years. But we restate our case that need should be the fundamental basis of this funding. It should not be a socioeconomic system where a huge element of greed is built into it and where there is a false image of Australia based on people's taxable income rather than their real income. Our funding formula was successful in the past and will be successful in the future. To quote our amendments, we believe:
... that there is a need to restore integrity and sustainability to Commonwealth funding of schools through the adoption of comprehensive principles that include:

(a) supporting high quality public schooling as a national priority—

the Catholic education system agrees with this as well; it knows that the same kinds of kids that go to Catholic schools in poor and needy circumstances go to public schools Australia wide, and it has in fact supported that initiative—

(b) recognising the entitlement of all children and young people to national standards of educational results and resources;

(c) giving priority in funding for all Commonwealth programs for schools to meeting the educational and financial needs of schools;

(d) recognition of the right of parents to choose the type of schooling for their children and to public funding for that schooling based on need; and

(e) Commonwealth funding for schools to be provided as part of a national partnership with State and Territory governments so that all governments work together to deliver high quality schooling for all.

(Time expired)

Mr SLIPPER (Fisher 11.19 a.m.)—Government members of course reject the second reading amendment to the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 moved by the shadow minister. It is unfortunate that education has become a bit of a tug of war and has been turned into a political football by the opposition. There was an election only a couple of months ago, and the Australian people comprehensively rejected the Australian Labor Party’s attempt to be divisive in relation to education funding. There has really been far too much emphasis on government versus non-government, and this government seeks to have quality education in all sectors.

The opposition talks a lot about so-called high-fee, wealthy schools, but wealthy schools do not mean wealthy parents. There are many people right across the length and breadth of Australia who work in one, two or three extra jobs within a family arrangement just to be able to provide for their children the quality of education chosen by the parents. As the minister indicated in his second reading speech, this government does renew its commitment to school education for the next four years, and the funding package delivers $33 billion for schools from 2005 to 2008. As the minister pointed out, this is an increase of $9.5 billion over the current quadrennium and represents the largest ever funding commitment to Australian schools.

As I spoke to people right across the electorate of Fisher in the election campaign it seemed to me that the ALP’s emphasis on class divisiveness and turning back to the class warfare of the 1890s was rejected by people in the community because people, regardless of whether they choose government or non-government education for their children, do want the best for their kids. I think they resented the way in which the ALP sought to divide different groups of parents and families from one another.

The opposition, and in particular the member for Jagajaga—and I suspect you would find that she is probably in a minority, even in the opposition, if you spoke to individual opposition members one by one—seem to try to emphasise the amount of funding that the Commonwealth gives to non-government schools and compare it with the amount given to government schools. If I had my way, the Australian government would take over the education system. I think that there is far too much waste and far too much duplication when you have the states running state schools and the Commonwealth being responsible for a large proportion of education funding. If you take into
account what the states get through the GST, I think that most state government funding of state schools—and they have not spent anywhere near as much as they should have—actually comes through tax revenue collected by the Australian government.

So we have a situation where the states have a lot of duplication, waste and overlap. We are, of course, a society where people are not, these days, born in one state and live their whole lives in that state and do not move across state boundaries. For employment or other reasons many families choose to move from one part of the country to another. Many of them, of course, choose to move to south-east Queensland or the Sunshine Coast—the most wonderful part of the nation in which to live—but when they do move across state boundaries they find that so often the different curricula and starting ages can disadvantage children. I am very pleased that, in this bill, as conditions for grants there have been certain elements written in, including greater national consistency in schooling, requiring implementation by 2010 of a common school starting age and implementing common testing standards, including common national tests in English, maths, science, civics and citizenship education, and information and communications technology. The bill also acknowledges the importance of better reporting to parents by ensuring that school reports are in plain language and that assessment of a child’s achievement is reported against national standards where those are available and is reported relative to a child’s peer group.

As a parent, I have often looked at reports and seen that they have been written in politically correct language rather than in plain language. But I have to say that I have had a great deal of contempt for some state governments that tell parents that parents somehow have a vested interest in not knowing how their child is performing compared with other children in the same peer group, that parents are somehow advantaged by not being told how the school is performing compared with other schools. I just think that while this sort of data has to be used very carefully—you cannot just assume in Queensland that, because a particular school gets a large number of OP1s, it is necessarily the best school for a particular child—it is grossly arrogant for state Labor education ministers to say that parents ought not to be empowered with this information to at least be able to digest it and use it to help make a decision on schooling with respect to their children.

Also amongst those conditions are transparency of school performance, so the schools publish school performance information to provide parents with objective data and information—that was a matter I just referred to—and greater autonomy to school principals so that they have a significant say over staffing issues in their own schools. I recently went to the opening by the Premier of Queensland of the Chancellor State College in my electorate. I have to say that this school will be an outstanding government school. The principal, John Lockhart, is highly motivated. The teaching body is impressive. There is great support from the parents, and I believe that Chancellor State College will be one of the best schools in Queensland, regardless of whether you look at the state or federal sector. But I think it is really important—and I made this point to the state education minister when I spoke at the opening—that you give school principals more autonomy.

I believe that John Lockhart, as the principal, ought to be given the choice of selecting teachers for his school. You have a new school, you have a highly motivated teaching body and you do not want any duds amongst the teaching body who would undermine the overall performance of the school and the
students. Also, of course, I believe that what should happen is that the state’s education department should calculate what it costs to run a particular school, like Chancellor State College, turn the principal into the CEO, write a cheque to him for the amount it is going to cost to run that school and then allow the principal to spend that money in accordance with the priorities of the school community and school council. I believe that our society would get a lot more for the dollar if the restraints, restrictions and conditions put in place by state ministers on state schools were removed. If they were removed and you allowed the dollars to be spent in accordance with the values of individual schools then you would find that a lot more would be achieved.

Mr Kerr—A little bit of internal consistency within two minutes of a speech would be useful.

Mr SLIPPER—The member for Denison ought not to interject, but I just want to place a caveat on what I said because I do not think that arrangement would work with all schools. What you want to have is an opt-in arrangement so that, when state government schools achieve a certain standard, they are able to adopt this other funding model. This would be the way that the individual states would fund these particular schools. If you did allow good government schools to operate in this way—and I think New Zealand might have a system somewhat similar—then you would find that these schools would be able to perform in a much better way.

I think it is also important to create safer schools by the implementation of the National Safe Schools Framework in all schools. A previous speaker on this bill referred to physical activity, and I think that is important. Also, core values such as flying the Australian flag I think are important so that children are able to be taught the values that have helped to make our society great.

Returning to the issue of government funding versus non-government funding and the furphies spread around by the shadow minister in relation to Commonwealth funding of schools, if you are going to look at school funding, you ought to look at combined state and Commonwealth government funding and not just at where the Commonwealth government pays its dollars. When you look at total public funding of schools for 2003—that is, total Australian and state government funding—and you look at schools in each category with a similar number of students, it is clear that state government schools get a whole lot more funding than non-government schools.

Lyneham High School here in the Australian Capital Territory, which has 917 students, gets $11.5 million in combined Australian and territory government funding; whereas the Canberra Grammar School, with 1,492 students, only gets $3.6 million. In Tasmania, Prospect High School, with 673 students, gets $7.4 million in Australian and state government funding. Launceston Church Grammar School, with one more student—674—only gets $3.2 million. In South Australia, Craigmore High School, with 809 students, gets combined Australian and state government funding of $9.5 million. Scotch College in the same state, with 1,200 students, gets combined Australian and state government funding of $14.4 million. Christ Church Grammar School in Western Australia, with 1,204 students—just four students more—gets a mere $3.7 million. Beerwah State High School, on the Sunshine Coast, with 1,002 students, gets $10.8 million. Brisbane Girls Grammar School, with 1,097 students, only gets $3.9 million. To refer to Victoria, Bald-
win High School, with 1,870 students gets $19.8 million in combined Australian and state government funding. Scotch College in Victoria, with 1,823 students, gets only $3.5 million. In New South Wales, Fairvale High School, with 1,377 students, gets combined Australian and state government funding of $15.9 million. And the much pilloried The King’s School at Parramatta, with 1,350 students, only gets $3.6 million.

When you add together Australian and state government funding, you find that funds do in fact go through to the areas of greater need, because the government schools invariably get many times more than the independent schools. So this suggestion that the Australian government is not interested in government schools is absolutely nonsensical. When you look at the way in which the Australian government has increased funding to government schools over the last few years in percentage terms and when you look at the proposed funding for this quadrennium, you can see that the Australian government is indeed bearing its share of increasing education costs, whereas you often find that state government increases are below the rate of inflation.

I return to something I said earlier: I think it is unfortunate that education and education funding have become political footballs in Australia. Really what we ought to be doing is achieving the best possible outcome for Australian students. The best possible way of achieving this, in my view, would be for the states, at a COAG meeting, to say to the Commonwealth, ‘What we need to do is pass the education systems over to the Australian government.’ If that were the case we would be able to cut out billions of dollars of duplication. There would be billions of dollars more flowing through to students at the coalface and we would be achieving even better outcomes.

The two bills before the House are very important bills. They do implement the government’s commitment in the election campaign. I was heartened to hear the member for Blaxland say that the opposition is not going to oppose these bills in either this place or the other place. I think that is certainly a step forward. I would hope that this will be a precedent for other items of legislation when the government seeks to implement its election policies in full and on time.

The member for Blaxland in his speech also referred to the $1 billion program announced by the Prime Minister during the election campaign to improve infrastructure in government and non-government schools. I have to say that as I move around my electorate I find that the proposal for $700 million of that $1 billion to be allocated to government schools and for $300 million to be allocated to needy non-government schools will be exceptionally popular. So often the state governments have starved many schools of infrastructure, and I am personally very attracted by the principle of directly funding parents’ and citizens’ associations and schools and bypassing the state education departments. If we are able to spend these dollars in these government and non-government schools, as will happen, we will find that there will be improved educational outcomes for children in both sectors. While the situation remains that state governments are running state schools, I would like to see the Australian government bypass the states wherever possible and directly fund individual schools and parent and teacher bodies, because you will find that if you are able to cut out some of the duplication there will be very much improved outcomes.

As I said earlier, the principal bill before the chamber, the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004, provides a record $33 billion in funding for Australian
schools over the next four years—from 2005 to 2008. That is an increase of $9.5 billion over the current quadrennium. The purpose of the bill is to implement our commitment to a strong schools sector which offers high-quality outcomes to all students and choice to parents by providing stability in Australian government funding for primary and secondary education in Australia for the 2005-08 quadrennium. The SES funding arrangements, a very equitable system, will be maintained and will be more deeply embedded as the basis of Australian government funding of non-government schools. I think the fact that the Catholic system will be joining the SES funding arrangements from 2005 means that all non-government schools and systems will operate under the SES model from 2005 to 2008 and hopefully beyond.

The bill implements an improved performance framework and improved reporting arrangements for the funding of Australian government schools in the quadrennium in question. All education authorities receiving Australian government funding will have to commit to certain performance targets and will have to meet certain other conditions. I was pleased to see that the member for Blaxland—and I presume many opposition members—supports the thrust of these special conditions.

It is important to recognise that currently schools funding is not just the responsibility of the Australian government. The Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 and the States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004 will deliver on the Australian government’s commitment to Australian families and students. I would like to see the states agree to increase their own funding of both state and non-government schools at the same rates that the Australian government is prepared to commit to. After all, our children are our nation’s future. If we are able to have improved educational outcomes and an improved national schooling system our nation will be the beneficiary in the longer term. This government has delivered. I now call on the Queensland state government and other state governments to do likewise. I call on the opposition to stop using education as a political football and to work cooperatively with the government to make sure that all parents have choice and that all students have the best possible educational opportunities, because an educated Australia is a prosperous Australia.

Mr KERR (Denison) (11.39 a.m.)—Change in large institutions in Australia is often slow. But in the course of the Howard government’s tenure, very large changes have begun being made to the way that our education system operates. It is worth stepping back a little in this debate on the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 and the States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004 and reflecting on those things we must not lose before we consider how we wish to go forward. It is taken so much for granted that we are entitled, as citizens of this country, to have access to an affordable education system that offers everybody quality opportunities to develop their human potential. We fail to reflect on how recent this phenomenon is and on how important it is as a building block of a successful, modern society.

You only have to cast your mind back three or four generations to reach a time when access to education was a rarity for those who were poor, working-class or lacking parents with resources or a commitment to education. Historically, education had been provided in a number of ways. Principally, it was provided through the church.
The church produced the only people in society with the skill to write, and it ran the universities. Others gained education through the guilds—the craft societies. It was not an education which gave them the capacity to read or write or to be broad in their intellect and learning, but it gave them the capacity to undertake a trade and skill. But most were simply excluded from the education system, although every now and then a bright and outstanding young person might be picked up and given a *Brideshead Revisited* experience by being introduced to the opportunities that education provided. There was a wonderful example of an early Chief Justice in England who was one such boy. He was picked out of poverty, given the opportunity of an education and became Chief Justice; however, those were such rare occasions as to be almost invisible in the greater scheme of things.

One of the great developments of the last 100 years is that we have emerged with a system of free, secular and universal access to education. Suddenly, the chance of life opportunities for those with talent and ability, whatever their parents’ walk of life, was utterly transformed. Suddenly, it became possible to speak of people achieving to the best of their abilities. It became possible to speak of giving people life chances that gave them an opportunity to compete—but not on an equal playing field, because the starting point of your parents’ wealth and means is an introduction to a circle or network of opportunities that are denied to the poor. Nonetheless, people did have the opportunity of upward social mobility and that transformed both the nature of our society and its class basis. People stopped regarding themselves simply and inevitably as members of a working class and started to see other opportunities for their personal growth and development. Economic opportunities also changed. Our society grew faster economically, because people came forward from all backgrounds and were able to take their place in a society that was producing people with high levels of educational attainment.

We have continued to improve access to high levels of educational attainment, even during my lifetime. When I went to Claremont Primary School as a young boy there were still kids who left at the end of primary school. It was unusual, but it happened. Certainly, in high school many students had left by the end of the third year. Equally though, some people’s lives were transformed. In passing I will remark on a couple of the teachers that I remember teaching at Claremont High School. There was David Dilger, a man who taught both English and mathematics. That was an unusual double that inspired in me the understanding that he saw beauty in both poetry and the elegance of mathematics.

Mr Williams, whose first name I forget, was also a teacher of English. He had come back from the war, and he had a metal plate inserted in his head. Every now and then he had a bad turn, and he was, I suppose, mercilessly kidded by some of the tougher kids at the school. Nonetheless, he was inspiring to me because he brought me into contact with a whole range of ideas and intellectual stimulation that would never have been readily available to kids growing up in the working-class suburb I grew up in. I am not suggesting that I pulled myself up by my bootstraps from some struggling economic base. My family did all they could to improve my lot in life, and they valued education. My mother had been head of medical reconstruction in Hiroshima and Nagasaki, and she met my dad in Japan. When she came back to Australia, where dad worked with the Hydro-Electric Commission, she felt that she could not go back to university—those were the days when mums just did not do those things—so she took up a profession as a
primary school teacher. So I was surrounded by people who valued education, and I saw the opportunities it gave to people who did not come into the small community I grew up in, which was essentially a working-class community. I saw that I could have life opportunities through education, and I seized them.

All the things that we take for granted nowadays are relatively recent. One of the things I think we should be cautious about when we have this debate about education is that we can so easily let go of the fundamentals that are important to a ‘fair go’ society, the things that blend us together. One of the things that blends us together is valuing a free, secular and universal education system. That is not to diminish the right of people to choose to educate their children outside that framework, but it is to say that our society will be immeasurably damaged if most Australians make the choice to leave the free, secular and universal education system because proper resources are not put into it and because careless politicians condemn it by some of their remarks.

Let me reflect on careless remarks condemning our public education system. I still believe that a quality education is available in the free, secular and universal state education system, and I do not like some of the adverse comments that are directed to people working within it. Earlier in this debate I heard some remarks about, for example, giving headmasters greater autonomy. That may be a good idea or it may not, but the underlying inference is that many of the teachers are slackers, people who are not acting in the best interests of kids. The underlying inference is that we have a system that is slowly running down and which most people are leaving, and that the teachers unions are not interested in the education of children but want to pursue some strange agenda that is actually going to damage children’s educational opportunities.

These kinds of comments are extremely dangerous. Firstly, broadly they are not true. I have the experience and knowledge of having children in both the private and public education systems, and I know that there are both excellent teachers and some pretty ordinary teachers in both systems. I think we need to be careful to recognise that there are some pretty ordinary people in all walks of life, but people do try very hard and, broadly, everybody teaching is doing their best to improve the opportunities for the children they are educating. Teachers, on the whole, are a pretty committed lot, whether they be in the private or public sector. Teachers unions are working from a background where the work that is undertaken by the teaching profession has in the past been too little recognised and too poorly remunerated. When we think about what value teaching adds to our society and to our opportunities as individuals when we go through those systems, we have to reflect on the fact that teaching, on the whole, is a poorly remunerated profession.

People work very diligently within the teaching profession. All of us in this place would have a David Dilger or a Mr Williams to remember, because it is these people who inspired us to think ahead about the opportunities we could take and make for ourselves. To condemn teachers as if, by the way they teach reading and writing, they have some kind of evil design to make kids do badly—or to suggest that the teachers unions have some sort of plot that differs from what they genuinely regard as the best interests of children and teachers in the public and private education systems is really a very dangerous side-track.
I have no large concerns about the debate about measurement, but I also want to make a couple of remarks about it. In any school, in any classroom and in any society there is a range of talents and abilities. Some people will be extraordinarily gifted, and others will lack gift entirely. The distribution forms what statisticians call a bell curve. Most people are broadly in the middle of the bell curve, but some are at each end, and that is the case with all institutions and all groups of human beings.

When I go to school prize givings, I award prizes to those at one end of the bell curve. The school has recognised their achievements and opportunities and I give the awards. But in giving those awards I always ask, ‘I wonder how it feels to be the kids who are actually being told that they are not succeeding?’ I always say that, whoever you are, one of things that joins us together is common citizenship and value in families. All of us have things that we can contribute. We should not just celebrate success, because very few can achieve great success. Let us all try for great success, but on the bell curve you cannot have everybody at the sharp end. It just does not happen. Most of us will be in the middle. And what do we say to those others? What do we say when we get all the measurements and all the information to parents and that tells them very clearly that their children are failing? Where do these children sit in that system? We still have to find ways to value those children and to value their participation in society.

No matter how we do these measurements and no matter the schooling system there will be kids who will not succeed. If we have a debate in this place or in society at large that is around this false idea that if we can improve the system then everybody will do well, we are creating a rod for the backs of those who are going to struggle.

I know that there are some people who say we use politically correct language or something of that kind. Perhaps we should be less kind in the remarks that parents get when their child is struggling. But equally you have to think about how you express yourself if you are not going to be politically correct. Are you going to say, ‘Your child is unintelligent; your child cannot succeed in basic skills; your child is destined for failure’? Is that how you want the report to be? I think we have to be very careful about these things.

If we condemn those in the teaching profession and suggest that the public system—the free, secular and universal system—is not a place to go if you want your child to get the best from life’s opportunities, if we do not make sure that we invest in that public system, if we do not make sure you can get an equal start at life in it and if we do not recognise that some kids in any system are going to be weak in terms of their intellectual capacity and are not going to win prizes then we will create a false debate. Not only will we create a false debate; we will actually create great damage in our society.

Coming back to the thrust of this legislation against that background, the key thing to do is to make certain that we properly fund that bedrock of our society: free, secular and universal public education. Where our resources enable it we need to make certain, too, that nobody in the private sector gets a poor start in life because of the choice they make. In the past, Catholic kids got that poor start in life. Because of their faith, they went to parochial schools. Mostly, those schools were underendowed with material resources. Those kids struggled against that background. The fact that many of them succeeded despite that is a tribute to their aspirations and to the people teaching in that sector. But over time we have recognised that
we have to build up the parochial system and make sure it is properly funded.

On the other hand—and let us not beat around the bush—we all know there are some schools that are extraordinarily well endowed. Generally, children from very affluent families go to these schools. I do not exclude the possibility that some children in those schools are sent by parents who sacrifice nearly everything to get them there. If we were to use the bell curve, we would say that most of those schools’ populations come from very affluent families—some, at the sharp end, from extremely affluent families—and very few at the bottom end come from very poor families, because very poor families could not get them there. Some will be struggling families. They need a share of resources, too. But their call on those resources should be much less because those kids already have life opportunities and chances well beyond those of kids who start life in the free, public, secular education system.

So I defend the approach the Australian Labor Party has taken. I do not defend it on the basis of anything like the asserted class envy. I defend what is an extraordinarily potent invention of Western civilisation: free, secular and universal education and its ultimate priority as the building block of our opportunity as a nation to cohere. I also want to say that arguments about redistribution in this area are misconceived. There has been a redistribution. It has been a redistribution from that free, secular and universal system towards the wealthier private schools. Calling a halt to that and rebalancing is the case that I make.

I thank the House for the opportunity to speak on this matter. I do not want to see the worth and value of teachers diminish. I do not want to see those kids, wherever they start their life and whatever schooling system they are part of, treated as failures because they do not reach benchmark standards. I hope that this debate can get back to a centre about the philosophy of our educational system and away from some of the narrowness of what has on the government’s side constituted the so-called debate about education in Australia in the recent past. (Time expired)

Mr BALDWIN (Paterson) (11.59 a.m.)—I rise today to speak on the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004. This is the year 2004. It is December 2004. Only yesterday, at 42.1 degrees, it was the hottest day ever in November in the Hunter Valley since records have been kept. Today it is forecast to hit 41 degrees in the Hunter. It is the year 2004 and there are schools in my electorate that have no airconditioning. Only last week, Grahamstown Public School P&C was agitating in the media for airconditioning. The teachers felt so strongly about the issue that they held a stop-work meeting to protest the lack of action by government.

Today on page 3 of the Newcastle Herald, in an article by Matthew Kelly, ‘Pupils feel the heat of classroom politics’, it says:

The parents of 79 students at Grahamstown Public School kept their children away from school or picked them up because of yesterday’s heatwave.

Principal Kevin Colman said he was monitoring the heat levels in the school’s non-airconditioned classrooms to ensure staff and student safety.

“I’ve said to any parents who have rung up because they are concerned about the heat that it’s up to them … to come and collect their children …”

It is ridiculous that at Grahamstown Public School, a school built 10 years ago with noise amelioration measures to protect the children from the high noise levels, we have a situation where the design and the insulation were put into place, yet no airconditioning was installed. This shows a lack of wis-
dom by the New South Wales Labor government in their design and planning. Mr Deputy Speaker, I seek leave to table an extract from page 3 of the *Newcastle Herald*.

The **DEPUTY SPEAKER** (Mr Wilkie)—In keeping with Speaker Hawker’s ruling, items publicly available cannot be tabled in the House.

Mr BALDWIN—Therefore I will continue to quote it.

Mr Fitzgibbon—Mr Deputy Speaker, I rise on a point of order. I refer you to standing order 63, which reads: The House or Main Committee may grant leave to a Member to act in a manner, not expressly provided for in, or contrary to, orders of the House.

I will take this matter up later with the Speaker, but it is my view that, in ruling that these newspaper articles cannot be tabled, the Speaker has circumvented the ability of the House to be master of its own destiny. No members on this side of the House are objecting to the request from the member for Paterson that leave be granted; therefore, the House by definition, as master of its own destiny, has determined that leave be granted and the newspaper article tabled. I do not ask you, Mr Deputy Speaker, to reconsider your ruling, because you are of course acting on the Speaker’s ruling, but it is a matter I will take up with him at a later hour.

The **DEPUTY SPEAKER**—There is no point of order. In keeping with Speaker Hawker’s ruling, the document cannot be tabled.

Mr BALDWIN—I respect the Speaker’s ruling. However, it does not get away from the point that these children are expected to sit in insulated heat blocks. It is unfair to the children. The school is soundproofed against overhead noise from commercial aircraft and RAAF activities, but when it gets hot they cannot shut the doors. In winter when the gas heaters are on, they cannot shut the doors because of the fumes from the heaters.

When the Grahamstown P&C came to see me earlier this year, it was because they were tired of the New South Wales government ignoring their pleas to put airconditioning into the school. They came to their federal MP because their state member, John Bartlett, had ignored them. John Bartlett has form on this; he ignored them just as he ignored the pleas from the Tilligerry crime forum. Because Grahamstown Public School was affected by RAAF planes, the P&C knew they had a strong argument for their case. But what of the schools in my electorate which are not affected by aircraft noise? What of Dungog Public School, which gets just slightly hotter than Grahamstown?

On the front page of the *Maitland Mercury* today, an article by Emma Swain entitled ‘Taken out of school—Debate heats up on lack of class cooling’ says:

> With his sweaty hair stuck to his clammy forehead little Jamie Standing was just one of the many Maitland school children taken out of the city’s sweltering classrooms.

Jamie’s mother, Jodie, collected her seven-year-old son from Woodberry Public School early yesterday when she became worried about her son sitting in a non air-conditioned room.

> “I just couldn’t stand the thought of him sitting in a hot classroom when he could be much cooler at home,” Ms Standing said.

Woodberry Public School made headlines last year when members of the school’s P&C committee threatened to remove their children from the school if air-conditioners were not installed in each of the classrooms.

It goes on. Just adjoining, we have Francis Greenway High School at Woodberry, where we expect students to study in sweltering
conditions. Dungog has no aircraft noise; therefore, the school has no hope of getting any airconditioning. It is the same for another rural school in Gloucester. The Hunter gets incredibly hot in summer and cold in winter. Reverse cycle airconditioning is not a luxury; it should be standard in 2004.

But the frustrations of P&Cs and P&Fs are not restricted to airconditioning. Irrawang Public School in Raymond Terrace has been asking the New South Wales Department of Education and Training for a school hall for 15 years. The number of students in the school is small at 396, and there is some ambit quantity of pupils that a school needs in order to get a school hall which it just falls short of. As the surrounding area has grown, so too has the number of schools. Rather than expanding Irrawang Public School, the department of education has built new schools and has kept Irrawang small—too small for a school hall. The P&C came to me in desperation when again the state member for Port Stephens, John Bartlett, ignored their frustrated pleas. Both Grahamstown Public School, with 399 students, and Irrawang Public School, with 396 students, are desperate for funds to get basic amenities like libraries and computers.

Much of this has to do with the New South Wales Labor government of the day, because it does nothing to improve the lot of students in public schools. The local MP for the Raymond Terrace township is not inclined to lift a finger to help these students. He toes the department of education’s line. Airconditioning in public schools is being phased in over a number of years. You have to have 400 students to qualify for a school hall. You cannot have new computers. You cannot have a new library. P&C and P&F associations around Paterson and New South Wales are making hundreds of thousands of lamingtons to raise money for fences for sports fields, airconditioning for classrooms and books for libraries—or a covered outdoor learning area, which for some schools is the only form of covered assembly area they have, an area that allows children outside when it is raining or protects them from the rays beating down from the sun. These are all what I consider to be basics for quality education.

The schools assistance bill commits $33 billion in funding for Australian schools over the next four years. This includes $27.9 billion in general recurrent grant assistance to government and non-government schools; $1.5 billion in capital grants to assist with the provision of school facilities, including $17 million in capital funding to non-government schools in isolated communities in the Northern Territory; $2.1 billion for literacy, numeracy and special learning needs programs which assist the most disadvantaged students, including those with disabilities; $117 million for country areas programs to assist with geographically isolated children; $245.8 million under English as a second language for new arrivals to the Australian education system; and $114.2 million for the languages program to improve outcomes of students learning languages other than English.

It also includes $700 million for government schools and $300 million for non-government schools which they can apply for directly from the Australian government. Grahamstown Public School does not have to fit in with the timetable of the New South Wales education department. Irrawang does not have to have a set number of students. P&C and P&F associations can set the priorities for their own areas and their own children’s learning needs and build the schools that they want. After all, what does a state education bureaucrat sitting in an airconditioned office in Sydney know about Grahamstown school and the 55 other schools in my electorate that a parent who has been...
working on a school committee for five years does not know?

This $700 million fund for public schools is a significant fund not just in terms of the resources that P&C associations can get for their kids’ schools but in terms of what it says to the states. I am no prophet, but I believe that in five years’ time Australian state schools, or public schools, will be better for this direct funding. No-one knows what is better for their local schools than the parents and teachers who live and work in those local areas. I am a strong advocate of removing states out of any funding to communities, because of the waste element from bureaucracies. P&C associations work for free and they have a vested interest in building a good school for their children, so they care more than the bureaucrats in Sydney. This means that the entire $700 million will be spent on our schools and on our children in those schools.

I have a few independent schools in my electorate of Paterson, and they have been built by the communities to provide education in line with their philosophy. Medowie Christian School fills a niche of providing education for local students with a strong Christian philosophy. This school is currently fundraising to build a high school. Again, the state government in New South Wales has ignored the plight of the parents in Medowie by refusing to build a high school there, but there is an opportunity there and the Christian school is picking it up and opening up to all members of the community, not just those who want a Christian education.

There are nine non-government schools in Paterson: St Phillips Christian College, Medowie Christian School and some seven Catholic schools, with a school for the hearing impaired run by the Catholic Church. But not one of them could be compared with the King’s School at Parramatta in terms of resources or wealth. Not one of them charges fees in line with those charged by city GPSs. These are the schools of the community.

The average government school recurrent cost method of indexation is popular with the states and territories because it is a generous formula which allows for an increase in funding of six per cent per annum. What this means in dollar terms is a $2.9 billion increase over the next four years of public school funding, or a total of $10.8 billion. This is big money in any person’s terms, so what does it mean for the schools in my electorate of Paterson? Apart from the recurrent grant funding, there is money for capital works, for special needs kids, for literacy and numeracy, for students with disabilities and for improving language studies. The other components, for non-English-speaking children and for isolated students, are perhaps not as in demand as in other electorates, but there is a huge need in my electorate for capital works funding.

This year we provided $88 million to the New South Wales Labor government and, as I said, both Medowie and Thornton need a high school—and the list goes on. Every school around Maitland, Dungog, Raymond Terrace, Woodberry and Gloucester could use airconditioning, and there will now be money to put that in more quickly. Less in need of airconditioning but just as in need of funding for shade cover, libraries or computers are schools in Pacific Palms, Bulahdelah, Stroud, Forster and Tuncurry, all coastal towns. All kids with disabilities or learning difficulties need extra resources to help them learn and to make sure they get a good start in life. And let us face it: Australia is an island. It is not like Europe, where you can skip across the border and learn German from the Germans. When kids in Australia learn a second language, they are behind the eight ball in fluency.
There are seven Catholic schools in my electorate. I say this because there is a new feature of the education funding package which includes $12.8 billion over four years for the Catholic system schools. This is an increase of 41 per cent, or $3.7 billion, over the period. There is an additional $368 million as a consequence of the Catholic schools joining the SES ranking system. This is significant because it further brings into line a standard of education right across Australia.

There are still major issues involved in standardising Australian education, which the Minister for Education, Science and Training has recognised as being problematic for the children of parents who move interstate. I have some 3,500 personnel on the RAAF Base at Williamtown in my electorate, and those with children who have relocated from state to state or territory have first-hand knowledge of what moving interstate can do to their child’s education. Depending on where they move from and to, they can be a year behind or a year ahead. They may be more advanced in some subjects but not ready for others, and they may even have a different handwriting style. SES ranking and asking independent schools to meet criteria is the beginning of streamlining the differences between the states.

There is nothing wrong with insisting on certain outcomes from independent schools receiving funding from the Commonwealth. School is not 12 years of babysitting, with an illiterate teenager at the end. Taxpayers and parents alike expect kids to be able to read and write and go on to jobs, universities and TAFEs when they leave school. That is why I am particularly pleased to see $2.1 billion for the literacy, numeracy and, in particular, special learning needs programs. Of that, $1.3 billion will go to government schools and $783 million to non-government schools. This is an increase of 28 per cent, or $444.8 million, over the last funding agreement. I understand the education minister’s goal is to have an almost perfect score in terms of Australia’s performance in literacy and numeracy.

There are two reasons why our kids have to be able to read, write and spell: so that kids can get a job and so that employers do not have to spend time and money on basics training. There are virtually no office jobs without computers any more, and a national standard in information technology is imperative. There are three elements to this literacy and numeracy program: school grants which will help schools increase their ability to help students with learning difficulties or disabilities; non-government centres which will provide support to children with disabilities; and National Projects, which was known as the National Literacy and Numeracy Strategies Projects Program, which will support national initiatives and research to improve learning outcomes for educationally disadvantaged children.

Australia’s birth rate is low and our population is ageing. Baby boomers will be leaving the work force en masse soon, and we will need every Australian to be job ready and job steady. Australia will not be a productive country if we allow mediocre education standards to continue. That is why I am supportive of the performance standards which have been developed to tie in with this package. Employer groups have indicated that it is no longer good enough to be merely adequate. They want workers who can meet certain standards. Linking funding grants to standards—making the states accountable and expecting them to meet certain standards—is something I support on behalf of the employers and parents in my electorate. If a worker cannot be trained to operate a till because they cannot count, a baker cannot employ that worker. If an office worker cannot spell, they cannot take a phone message.
If a person does not know the alphabet, they cannot file accurately.

As I mentioned earlier, the legislation will also assist in providing national consistency. To start with we need a uniform starting age, and the education minister is keen to see this in place by 2010. As a condition of funding, schools will be expected to report on the performance of students in years 3, 5 and 7 against national literacy and numeracy benchmarks. The benefits for parents are twofold: firstly, parents will know if their children are measuring up to other children around the country and, secondly, for the RAAF families of the future, transferring from Tindal to Williamtown to Amberley will be seamless. Children will not be behind in maths but ahead in English or vice versa. There will not be patches in this country where you do not get a good education. Anyone who believes in equality and the right to a good education system should support national standards.

Any school or governing authority which does not meet the standards should be held to account. I know the Teachers Federation will not like the idea of performance standards for its members, but, until we make teaching a profession of excellence, our kids will continue to fall through literacy and numeracy cracks. This bill also gives principals and their governing bodies a greater autonomy over their schools’ education programs, including staffing, budgets and other operations. Education authorities must also make a commitment to put into effect the National Safe Schools Framework to provide at least two hours of physical activity each week of school.

At this point I want to make it very clear that the issue is not whether a child goes to a government or non-government school, whether a government or non-government school has a greater right to funding or whether schools are unionised or not unionised; it is all about the child. It is about providing the best opportunities we can to each child for better educational outcomes. Parents choosing to sacrifice, work extra jobs or forgo home ownership to pay for their child to go to a school of their choice is not the issue either. It is about better standards of education, better resources, better outcomes and, for kids of the future, a fairer chance in their future. I commend this bill to the House.

**Dr Emerson (Rankin) (12.18 p.m.)—** The Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 and the States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004 provide specific purpose payments for government and non-government schools over the four-year period from 2005 to 2008. The bills may well be the most important that this parliament considers. I say that for two reasons. The first is that these bills constitute the present federal government’s commitment to the life chances of a generation of young people. The second is that not only is this legislation potentially the key to unlocking the potential of young people but it is the key to Australia’s future prosperity.

The question for the parliament is: will this key work? The answer is: no, not in its present form. It could work, but it would require substantial modification. The bills move all non-government schools into a model based on the socioeconomic status of students. In principle, basing funding allocations to students on their needs is very good; needs based funding should get a big tick. But in practice this particular legislation and the SES formula on which it is based departs from needs based funding by giving huge funding increases to the wealthiest non-government schools.
The SES formula conceptually tries to approximate the capacity of a school’s community to pay. It is based on the census collection districts of the students who attend particular schools. It is not based on the needs of individual students. As I said, it is based on a school community’s capacity to pay, and the upshot of that is that, if a student is from a wealthy family residing in a census collection district that overall is very low income, that student will be entered into the formula as a very needy student. For example, if a student comes from a large and fairly wealthy farm in an outback area surrounded by very poor people then that student will show up as a poor student whereas in fact the student is wealthy. The consequence of this is that, based on the SES formula, non-government schools that have large boarding populations will under the SES formula appear to be very needy schools when in fact they are very wealthy.

A second fault with the SES formula is that schools that locate in less wealthy areas but are affluent will also benefit from the SES formula even though they are not needy. As a consequence of these and other flaws in the SES formula, it does not reflect the needs of individual students or of individual schools. So, while the SES formula conceptually seeks to pick up and reflect the needs of students and school communities, in practice it does not. That is why we have witnessed huge funding increases going to some of the wealthy schools in this country under the legislation covering the previous four years.

By moving all non-government schools into the SES model many schools would in fact be worse off. The government has responded to that in two ways. Some schools are what is called ‘funding maintained’—that is, they retain their pre-existing allocations but without increases, without indexation. So when the government says it is applying an SES model, in truth that is not really the case because, as flawed as it is, the SES model applies only to half of the non-government schools covered by this legislation.

In the previous four years Catholic schools received block funding grants, but this legislation is moving them into the SES system. As a result they will receive an extra $362 million above indexation. I personally welcome that. The effect of all of these adjustments to the SES model is that two-thirds of the $31 billion being allocated in this legislation will go to non-government schools. This has obviously been the trend under the Howard government. In 1996, 55 per cent of school funding from the Commonwealth went to non-government schools. That will now rise to almost 70 per cent in 2008. The Howard government justifies this as supplementary school funding assistance from the Commonwealth. The government’s view is that the states have responsibility for government schools and it says that that is reflected in the Constitution. It is also a fact that since the year 2000 the Howard government has been saying repeatedly that the growth tax, the GST, means that the states can pick up more and more of these sorts of responsibilities.

Some of us on the Labor side of the argument predicted in the year 2000, when the GST was introduced and a memorandum of understanding was signed between the Commonwealth and the states, that to protect the value of specific purpose payments to the states the government would find ways to erode the value of those payments over time. Indeed it has. There are two mechanisms for doing that: the first is to maintain specific purpose payments in nominal terms and allow inflation to eat away at them, and the
second is to maintain specific purpose payments in nominal terms and allow population growth to diminish their value per person. The Howard government has applied this practice across the board and has, therefore, effectively reneged on the memorandum of understanding that it signed with the states guaranteeing that specific purpose payments would be retained in full.

There is no constitutional impediment to the Commonwealth funding government schools. There is nothing in the Constitution that says the Commonwealth must not fund government schools. We know that through this legislation, because one-third of the funding does go to government schools. It is nothing to do with the Constitution. The fact that so much of the funding goes to non-government schools is a reflection of the government’s preference for funding non-government schools over government schools—an ideological preference as expressed in this legislation. The fact that so much of the funding goes to non-government schools is a reflection of the government’s preference for funding non-government schools over government schools—an ideological preference as expressed in this legislation. The school funding bills provide supplementary funding to improve educational outcomes for disadvantaged school students. I welcome that. I am not saying that every detail of this funding for disadvantaged students is as Labor would want it, but it is good to see that the Commonwealth is recognising its obligations to disadvantaged students. The new literacy, numeracy and special learning needs programs are targeted at early intervention, and at literacy and numeracy in particular. They are also targeted at children with disabilities and at teacher professional development.

The third major component of the funding provided in this legislation is capital funding—initially $1.5 billion over the four-year period. Government schools will receive $1.1 billion of that funding, and $438 million will go to non-government schools. Added to that is the government’s election commitment to provide an extra $1 billion to schools for mainly minor capital works programs—presumably things such as shade cloths and other minor matters. Of that $1 billion, $700 million will go to government schools and $300 million will go to non-government schools. The trick here is that the Howard government has sought to bypass the states and have that money go direct to local school communities, most commonly through P&Cs. You would think that there would be some sort of role for the states in approving these sorts of capital works, given that the school grounds are, in fact, owned by the state, but the Howard government is thinking that, because they are Labor states, the way to go is to bypass them. This is a very churlish way of operating, and it could potentially put a huge burden on local P&Cs who may, in individual cases, be handling budgets of several hundred thousand dollars worth of capital works because of the government’s obsession with bypassing the states.

There are a number of new conditions for the funding that will flow from this legislation. Some of those are very good and I would welcome them. One is greater national consistency in approach towards school education and better reporting to parents is another. I support that. There is, in addition, a transparency of school performance. In my view that is good conceptually, but there are genuine problems with ‘league tables’. The Howard government is embracing the idea of ranking schools according to a league table to expose schools that produce lower educational outcomes. As I will explain in a moment, there are inbuilt reasons in this legislation why some schools will produce lower educational outcomes through no fault of their own. Yet the Howard government wants to proceed with league tables to seek to embarrass schools that it itself is disadvantaging through these funding formulas. I think there are huge problems with the production of league tables.
The concept of greater autonomy for school principals is, in principle, not a bad one. Another condition for funding is creating safer schools, and I do not think too many people would think that was a bad idea—I certainly do not—and another is a common commitment to physical activity. Given the problems of obesity in this country, I certainly welcome that. But there is another condition for funding, and that condition is that values are made a core part of schooling. That sounds very fine, and I am all for values, but you have to ask: whose values? That is a very pertinent question, because we got the answer to that from an exchange that was initiated by the Prime Minister in January 2004, and his faithful sidekick, the Minister for Health and Ageing, followed up the next day. The Prime Minister said that the problem with government schools is that they do not have a commitment to values. His faithful sidekick, the minister for health, said on the AM program on 21 January 2004:

Well, it’s interesting that whenever issues like this come up, the only value that politically correct educators can come up with is that they really supported tolerance …

The interviewer asked:

That’s a pretty good value, isn’t it?

And the minister for health—not the minister for education—said:

It is a good value, but sometimes I think that in modern Australia we end up tolerating the intolerable.

So we have the Howard government, through the minister for health, weighing into the debate on values in schools, and saying that the problem with government schools is that they have a set of values that tolerate the intolerable. I for one, and I think all of us on the Labor side of politics, think tolerance is a good value and it should not be limited to the point of saying that we should not have any more than a particular level of tolerance. How are we going to thrive as a cohesive nation if we follow the mantra of the Prime Minister and his faithful sidekick, the minister for health, saying ‘We don’t want to be too tolerant’. This country was built on tolerance, but here we have the Liberal Party and the Howard government saying there is too much tolerance in Australia. Shame on them. The problem is that they have expressed those views and have now incorporated those views into this legislation. I find that totally unacceptable.

I say that it is time we moved away from this obsessive demarcation between government and non-government schools. We have the Howard government saying non-government schools are good and government schools are bad. I think we should be concentrating on the children. I know this is a radical idea, but why don’t we concentrate on the needs of the child instead of engaging in these obsessive debates about whether government schools are better than non-government schools and vice versa? Why do we have the situation of one party championing non-government schools over government schools? The problem with this legislation, and with the legislation that preceded it, is that Commonwealth school funding is unbalanced. It expresses the government’s ideological preference for non-government schools over government schools. The funding must be based on the needs of the child instead of some ideological obsession about government schools being inferior to non-government schools. In my view, the Commonwealth and the states should develop a joint funding model based on the needs of each child, and this is what Labor has sought to do. The fact is: the child must come first.

I said at the outset that this legislation is important because it could be the key to unlocking the potential of children. Unfortunately, that key is a very flawed one and
There has been a drift, though not an exodus, in enrolments from government to non-government schools. In 1984, 75 per cent of enrolments were in government schools. That has fallen to 68 per cent in 2003. That does not, of itself, perturb me, and I do not think it should really worry anyone who believes that the child comes first. But it has had adverse consequences for students in government schools, because students of low socioeconomic status are now more concentrated in government schools. The figures are as follows: 58 per cent of government school students come from the bottom half of the income distribution, whereas only 40 per cent of Catholic school students come from the bottom half of the income distribution and just 21 per cent of independent schools come from the bottom half of the income distribution. This exit from government schools to non-government schools, which the Howard government has promoted through its funding policies, has left a larger concentration of young students from low socioeconomic backgrounds in the government system.

In fact the difference in the performance of government and non-government schools is mainly explained by the student populations—that is, the concentration of low socioeconomic status students in government schools. The Allen Consulting Group, in a report entitled *Governments working together: a better future*, said this:

After the student populations the schools serve are taken into account, there remain some differences in the spread of performance across sectors, but the analysis shows that the overall performance of the three sectors is similar and that many government schools are performing very well compared with private schools.

Hear, hear! That is what an objective analysis shows. We need to support students of low socioeconomic backgrounds. In the central part of my electorate, Logan Central, there are many such students and they can be supported through early intervention programs and early childhood development. In Australia, only 40 per cent of four-year-olds attend preschool. One of the crucial indicators of the performance of a very young student is whether they have arrived at school ready to learn, and preschool education certainly helps. But, as a share of GDP, Australia’s spending on pre-primary education is the lowest in the OECD.

I am a fan—as is Labor—of early intervention programs. I draw to the attention of the parliament a report entitled *Policies to Foster Human Capital* that was prepared by James Heckman for the National Bureau of Economic Research. I will cover the main points in that report. It says:

The conventional wisdom espoused by most politicians, educated laypersons and even many academics places formal educational institutions in a central role as the main producers of the skills required by the modern economy. However, it neglects the crucial roles of families and firms in fostering skill and the variety of abilities required to succeed in the modern economy.

It goes on to say that much learning takes place outside of schools and:

Learning starts in infancy, long before formal education begins, and continues throughout life. And so on. All of this is a very strong argument for early intervention programs. That is what we need—a national coordinated effort to improve the educational performance of disadvantaged students. That would be not only an investment in those students and an improvement in their lifetime prospects but also a very wise investment in terms of concentrating our resources to combat the ageing of the population. Lifting the lifetime participation of those students in the workforce would be a very effective remedy to the ageing of the population. My plea to the Howard government is to work collabora-
tively with the states on improving these early intervention programs. *(Time expired)*

**Mr MICHAEL FERGUSON** (Bass) *(12.38 p.m.)*—I rise this afternoon to speak in favour of the *Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004* and the *States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004*. It is not difficult for me to support these bills. The Australian government, through them, will provide a record $33 billion in funding for Australian schools over the next four years, 2005-2008. This is an increase of $9 ½ billion over the current quadrennium and is the largest ever commitment by an Australian government to schooling in Australia.

The purpose of the schools assistance bill is to implement the government’s commitment to a strong schools sector which does offer high-quality outcomes to all students—both in government and non-government schools—and choice to parents. Not only do we in this government believe in public education, in education being provided by the community through independent and Catholic schools, but also we believe in choice. The most appropriate people to make that choice are those who love the children the most. They are not the politicians, they are not the principals; they are the children’s parents and their families.

This government’s initiatives will also provide stability in Australian government funding for primary and secondary education in Australia for this quadrennium. Importantly, the SES funding arrangements will be maintained and, in fact, will be more deeply embedded as the basis for Australian government funding for the non-government schools in Australia. I will come to this point later in my contribution and when I do it will be to, I hope, rebut many of the, I would argue, deceptive statements that have been made in the Australian community by the Australian Education Union—the union of which I was once a member—and Labor state governments.

The bill will also implement and enhance performance framework and reporting arrangements for Australian government schools in this quadrennium. The bill also provides for a new overarching targeted program, as we have heard already today: the Literacy, Numeracy and Special Learning Needs program. This will be targeted at the most disadvantaged students, including those with disabilities. Of course, the bill also provides for the continuation of existing successful programs.

I think it is very important for us all to really appreciate—because I do not think that everybody in this place does—that school funding is a joint responsibility between the states, the territories and the Australian government. It was just said by the previous speaker that there is no constitutional impediment to the Commonwealth funding state schools. That is true; that is not something I would disagree with. However, it is clear that there is a constitutional responsibility for state governments to fund their own schools. These governments exist for that purpose. These governments exist for a range of important public goods and public services not the least of which is our education system. That being said, there is no reason for the Australian government not to fund them—and we do. We fund them very substantially by specific purpose payments being made to the states and by general funding, including GST.

This government—referring again to the previous contribution we heard—is not a selective champion of one sector of education in this country. This government is a champion of all schools, as is our responsi-
bility. I speak today as a new member of parliament representing my community of northern Tasmania and from my professional background. I was educated and trained as a teacher. In 1996 I took my first teaching appointment. I was aware of opportunities in a range of different areas but chose to teach in the state education system as a public school teacher. I was very proud to do that. That was not a very hard decision for me. My first year of teaching was at Exeter High School on the West Tamar. Subsequently I was appointed to a permanent position and worked for five years at Kings Meadows high school. In my final year of teaching I was the head of my mathematics department, which I will always remember very fondly. I enjoyed teaching there. Working with young people is a wonderful job. Being able to input into young people’s lives, being a positive role model and doing your best to help and encourage young people and to equip them to fulfill their potential. As I said in my first speech two weeks ago, no job is more important than being able to input into young people’s lives, being a positive role model and doing your best to help and encourage young people and to equip them to fulfil their potential.

I stand today personally, and as a member of a government, committed to public education and community provided education such as in independent and Catholic schools. But I also believe in choice. I was educated at a non-government school myself, so people may say—wrongly—that somehow I was raised in a wealthy family, was given extra special privileges or went to an elite school. Nothing could be further from the truth. In fact, nothing could be further from the truth for by far the larger proportion of students who do not receive their education at government schools. The fact is that in so many cases parents send their children to non-government schools because they have made a choice. They have made a personal decision as a family to have their children educated at non-government or Catholic schools. That is their right, but many families do so at great personal expense. They may go without luxuries or material items in order to allow them to send their children to those schools. Those people should be held up as heroes. Not everybody will make a decision to send their children to a non-government school, but we ought to respect the decision of those who do and, as taxpayers, contribute towards the expense they have made a decision to bear.

I am pleased with this bill, because under it Australian government funding provides a record $33 billion. There is $27.9 billion in general recurrent grant assistance to both government and non-government schools; $1½ billion in capital grants to assist with the provision of school facilities—which is a continuation of this government’s excellent track record in assisting capital developments in schools around the country; $2.1 billion for the Literacy, Numeracy and Special Learning Needs program; and money for a range of other initiatives, not the least of which are our election commitments made in the last few months. I am just delighted with the government’s new capital infrastructure fund, with $1 billion to be provided for capital infrastructure funding for both government and non-government schools over this quadrennium. This funding is in addition to the $1½ billion which has already been provided for. As we have heard, this additional funding will be split and quarantined for the different sectors: $700 million for government schools and $300 million for non-government schools.

Much more can be said about these things. However, I draw the attention of the House to some facts which have been missed in so many quarters of the national debate. I believe all members would be aware of the
campaign which has been run, I think quite successfully, by the Australian Education Union for the last two years. It ran a campaign which quite clearly misled people in its portrayal of school funding. If it ever wanted to work for the interests of families and children, irrespective of the school that they choose, it failed. The material that was provided by the union, with the obvious support of state governments—I am aware of the Tasmanian state government being very supportive of the AEU campaign—has masqueraded the truth.

The AEU reportedly set aside $1 million of teachers’ hard-earned money to run this campaign. It was a political campaign deliberately designed to ramp up in an election year. Everybody here knows that the Australian Education Union is not beholden to any party other than the Labor Party. It certainly does not feel as though it should support the coalition and its excellent initiatives. It disregards the fact that this government has, as I have already said, made record provision of funding for schools around Australia. We have seen ads on television where the union has shown pictures of what it describes as elite schools around Australia. I think the best example of this is the ad which ran during the election campaign. The television screen was split. On the left-hand side we saw a picture of a school with a Gothic-looking cathedral as the centrepiece and a dollar value at the bottom of $3,030,128. On the right-hand side of the screen we saw a suburban government school with a dollar amount at the bottom of presumably, federal public moneys of $1,491,720. It would seem there was quite a difference due to this nasty federal government, as the ad was portraying the Howard government. These ads did mislead Australian taxpayers, especially as they were trying to inform themselves as they prepared for the election, because the ads tapped into a sentiment in Australia that people want to see adequate provision made for their schools—especially the schools where they send their own children.

An honest appraisal of the public funding of schools must include the Australian government’s contribution and the state and territory contributions, so if this ad had been run honestly it would have looked rather different. If there had been an honest portrayal of the facts, the Australian Education Union would actually have said this: 2.25 million students—or 68 per cent of all school students—attend state schools, and that 68 per cent receives 76 per cent of the taxpayer funds which go to schools; 32 per cent of Australia’s schoolchildren attend independent and Catholic schools, and that 32 per cent receives the remaining 24 per cent of taxpayers’ funds. As I have said, under the Australian Constitution state schools are the responsibility of the state and territory governments. They own, run, manage and, appropriately, have the major financial responsibility for the schools.

There are two schools in my electorate which I will provide a comparison of by way of an example. Launceston grammar school, which has 674 students, received total public funding from the Australian and Tasmanian governments of $3.2 million. Prospect High School, also in my electorate, received an enormous direct capital funding boost recently that allowed it to open up some new buildings and renovate them. It has 673 students—virtually the same population as Launceston grammar school. Total public funding of Prospect High School is $7.4 million, which is over double what Launceston grammar school receives. I am not trying to suggest that the independent school should somehow receive the same amount of taxpayer support, but it ought to receive a contribution from the government.
There is a very important argument that I would like to raise today, and that is in relation to what the state governments have said and done with regard to their own schools. In the May 2004 federal budget, as they did in the 2003 budget, the Tasmanian state government complained very bitterly about the level of financial contribution to government schools in Tasmania. They criticised the Australian government for only providing a 5.6 per cent increase in its 2003 budget. Times are good in Tasmania and the state budget is doing very well. Recently, the Mercury reported that the current financial year budget surplus is looking something like $360 million, which is quite a lot more than the predicted $7 million budget surplus. And yet, in 2003—which was also looking like a good year at the time—the Tasmanian state government, in contrast to the Australian government’s 5.6 per cent increase, increased its funding to government schools by just 2.9 per cent.

Had the Tasmanian government and the minister, Paula Wriedt, managed in cabinet to increase the Tasmanian government’s contribution to education by just the same percentage as the Australian government’s contribution, that would have meant for us in Tasmania an increase in the education budget of $14 million. I am a schoolteacher, not an engineer or an architect, but I suspect that $14 million would be enough to build one or maybe two new schools—and some good things could be done.

My Tasmanian Liberal colleague, Peter Gutwein, the state member for Bass and the Tasmanian shadow education minister, has been and had been campaigning for smaller class sizes for some time. In the Mercury, he was quoted as saying:

In recent Budgets, Ms Wriedt had been rolled by her Cabinet colleagues and had achieved a very poor deal for education with education’s share of the consolidated fund dipping sharply from 27.2 to 26 per cent.

That is very disappointing to me. It shows that the Tasmanian state government—for all of its words, for all of the criticism that it levels at this government and its minister, Brendan Nelson—is not actually prepared to walk the walk. At a time when GST payments to the Tasmanian government are rising extraordinarily, there is talk of money sitting around in the bank accounts of the Tasmanian government to the tune of $1 billion. At a time of a budget surplus of $365 million, a GST windfall of $480 million and a growing economy with things looking up, the Tasmanian state government does not even substantially increase its education budget—but why? I think the answer has to be encapsulated in the fact that we have just had an election and the Tasmanian state government has done everything in its power to fight off the Liberals in Tasmania and to try to stop them from having any success there.

It is greatly disappointing, because there are so many opportunities. I have already said that Prospect High School has had an upgrade, but Lilydale District School in my electorate is due for an upgrade. In fact, it is overdue. Scottsdale High School in my electorate is way overdue for some sort of upgrade to its buildings and facilities. Lilydale District School does not have a gymnasium and yet it has over 500 students. Quite recently, the state government, through its public servants, offered Lilydale District School only enough money to build a gym that could be regarded as a shed and would not even be lined. At Scottsdale High School, the local community are working hard to develop a performing arts centre and they need more help. The Tasmanian Minister for Education, Paula Wriedt, received a letter from the federal education minister, Brendan Nelson, asking her to consider that some of the
$6 million that comes from the federal government each year be used to assist with the performing arts centre. When I last checked with him, Minister Nelson had not received a reply.

When I was a schoolteacher, one of my worst memories was that I, as a teacher, had to go to a local hardware store and purchase a heater. The member for Paterson has already said today that in his electorate he has schools that do not have airconditioning. I live in Tasmania—quite a cool state in the wintertime—and we had a school that did not have heaters. In fact, it was not just having to bring a heater to the classroom, it was having to bring your heater to the classroom and then take it to each subsequent class because none of the rooms had heating—a disgrace. So today I call on the Tasmanian state government to lift its game and adequately fund its own responsibilities, and I certainly continue to support the bill before us and commend it to the House.

Mr BRENDAN O’CONNOR (Gorton) (12.58 p.m.)—I rise to support the amendment to the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 moved by the Deputy Leader of the Opposition. I wish to make some comments on the funding model that has been proposed by this government. There is no doubt that the education funding model is inequitable. It is interesting to listen to government members on the other side, including the member for Bass. The member for Bass decided to talk about what the Tasmanian government might be doing. He wanted to talk about the policies of the AEU, but of course I never heard a word from the member for Bass attacking the opposition’s position in this chamber.

The reason why the member for Bass did not talk about the policies of the federal opposition is that they are superior to those of the government in relation to education models. As a teacher, he would know that it is critical to ensure that all students in this country have access to fair education—have access to what is required for them to better themselves and, indeed, ensure they have a chance in life. We know that this is not an equal society. As one person said: ‘All men are born equal; some men were born more equal than others.’ Clearly those that go to the King’s School in Sydney are more equal than many of those constituents in Launceston and other parts of Bass.

The reality is that not everyone has the same opportunities, so one role of government in the area of education is to try to create some opportunities for those who would not have access to proper educational opportunities without the policies determined in this place. The fact remains that this is not a debate between the public and private school systems. I understand why the member for Bass and others would like to dress up the argument as if to say that the Labor Party is against non-government schools. The reality is that the two major political parties that went into the election campaign—and the election itself—debating these things clearly had stark views. But it is very important for me to say in this place again—and we have to repeat it because we will be misrepresented by the government members—that at no stage did the Labor Party look to take any money from non-government schools. We sought to redress the imbalance between those schools that do not need the exorbitant funding increases that are being provided under this government and those non-government schools that do. In my own electorate there were many non-government schools that would have been beneficiaries of the Labor Party’s policies. Indeed all of the 39 schools in my electorate—both government and non-government—would have
been better off under the funding model proposed by the Labor Party.

It is very important we set the record straight: this is not an argument between government schools and non-government schools. This is an argument about needs based education. This is an argument about facilitating the capacity of all students in this country to have access to opportunities, to ensure that their futures can be determined through hard work and that the inherent inequalities that do exist in society are mitigated and ameliorated where possible. But this government has failed to do that. Whilst there have been some critics of the Labor Party’s policies who have sought to argue that we have wanted to introduce class war, the reality is that the policy and funding model proposed by this government—initiated in 2001—was the beginning of the class war in the classroom. The class war in the classroom was proposed by the Prime Minister himself and, indeed, the Minister for Education, Science and Training when they set about creating a funding model that would give the King’s School and Geelong Grammar greater increases than other non-government schools. Over the past four years they have had greater funding increases than other, more needy non-government schools. Let us not allow the argument to be misrepresented in the way government members would wish.

The member for Bass and others like to talk about the Australian Education Union. By the way, if the member for Bass is not aware of this—and I imagine that as a teacher he should be—I should point out that the AEU is not an affiliate of the ALP. Indeed, what I understand about that education union is that it will campaign against Labor and Tory governments when it disagrees with their policies. I can assure the member for Bass and others that the AEU has certainly fought some fierce campaigns against the Bracks government in Victoria. To some extent, of course, their association would be closer to Labor. I suppose that is true of most unions—that is relatively transparent. But the AEU is not affiliated with the ALP and indeed it has taken up matters against other governments of other political colours when the need has arisen from its point of view. That is up to the AEU. But the AEU is not the Labor Party.

It would be more sincere if we had a debate in this chamber about the respective views of the two major political parties. It would be more sincere if we talked about our policies and about redressing the imbalance inside the non-government school proportion of funding, rather than allowing members of the government to rail against unions, which is something they do—if you pull a string, they start; it is a sort of mantra that they learn at an early stage in their careers—or to bash state governments. There has to be a time when the opposition parties in the state chambers of this nation do their job. The member for Bass should allow his friend the shadow minister for education in Tasmania to do his job in his chamber. Rather than the member for Bass debating what should be happening in Tasmania, it might be better if he debated why Labor’s policies in this place are superior and look to ensure equity and fairness.

If there is one policy that underpins the unfairness of this government it would have to be their education policy. It would have to be the funding arrangements that have allowed the most elite schools to profit the most from the changes in the funding model. We will not move away from that; we will not stop talking about that issue. It is critical for the community—the electors of this nation—to understand that that is an inherent problem. It is not just something that concerns me because I think those schools have received too much: it is not about how much
they receive. The reality is that the budget is finite. This is about how much we have to spend. It is not that we are about punishing the most elite schools, as some would like to say—that is a nonsense. I have nothing against people paying a high premium, if they so choose, to send their children to what would of course be very good schools. But what I am against and what worries me is that we have been allowing a finite budget to be arranged so that the most elite schools have received the highest proportion of increases over the past four years—and beyond, it would appear. There need to be some changes there.

There are government members who represent electorates where there are no elite schools. I know there are members of The Nationals who represent electorates where there are very few non-government schools. The fact is that we know that Nationals members and others represent electorates whose young people are predominantly schooled through public education—that is, their electors rely almost entirely on the state school system. In a way, it is more incumbent, therefore, on those people who may represent the poorer communities and the more remote communities, rather than the communities on the North Shore of Sydney, to raise the concern, if not in this place then in their respective party rooms, that they do not want to see Commonwealth funding being provided to schools that are not in need compared to those that are.

That really is a responsibility. We come here with a number of roles—and I am sure the member for Bass would agree with this. One of his roles is to represent the electors in his electorate—and, indeed, one of my roles is to do the same for the electors in my electorate. He is a member of the Liberal Party, and I am a member of the Labor Party, but we are also here to represent our electors, and if that means we have to do that inside the caucus or party room then so be it. I invite government members to start looking at whether their electors, their families and the children of those families, are beneficiaries of the Commonwealth’s policies, because I would have to say that in many instances they are not. It is incumbent upon members to fight for changes that will provide greater funding in their own electorates where there are no schools like King’s School or Geelong Grammar. I think there is a big challenge there for government members to consider.

I represent a great part of Melbourne. It is an established part of Melbourne, which includes what were once called Melbourne’s working-class suburbs and also new estates like Caroline Springs, Cairnlea, Taylors Lakes and Taylors Hill in western Melbourne. I have a great electorate which has the fast-growing corridors of western Melbourne amidst some very established suburbs as well. Many of the parents in my electorate are concerned about getting the right funding for their schools. During the election campaign, I was able to notify all the parents in my electorate that the 39 schools, both government and non-government, would be better off in terms of funding under Labor. I was proud to have the Leader of the Opposition and the Deputy Leader of the Opposition visit my electorate and, indeed, visit the Sydenham-Hillside Primary School, to announce a number of the policies which I thought were going to take us forward in this policy area.

I do not think this is a debate about envy. It is not a debate about bashing people at the top end of town. This is about how you properly distribute a finite amount of money to ensure that students in this land are properly considered and in a position to have a decent future. We seek to amend this bill but, as the Deputy Leader of the Opposition has said, we will support it if required, because we will not allow the funding of the schools in
this country to be jeopardised by any further delays. But that will not stop us moving our amendment and continuing to argue that there has to be a fairer way in relation to funding—that there has to be a funding model based on need and not inequity.

Today, in rising to talk about this bill I am somewhat disappointed that the government has not sought to change its views on this area of funding. We know that the Howard government has bestowed most of the largest increases, as I have said, upon the schools and students requiring the least. Schools that charge $12,000 or more in fees educate less than 5 per cent of Australian schoolchildren, yet these schools have received a staggering funding increase of up to 300 per cent since 2001. Government schools educate almost 70 per cent of schoolchildren but they have received a tiny 20 per cent increase, which in effect amounts to indexation for rising costs. The Catholic school system educates 20 per cent of schoolchildren but they have received only a 25 per cent increase. As you can see from the statistics, this is not a rhetorical argument. If you look at the facts, you can see that the increases at those schools with very high fees have been greater and that at those more needs based schools in the government and non-government areas there have been much smaller increases. As I said, I am happy to allow my electors to make a decision on those things.

I understand the government's hubris. Of course the government will be content with itself, having been re-elected for a fourth time. But I think there are some things that the government has to consider. One of them is whether it can continue to allow these funding arrangements to remain as they are. I believe that through this policy the Prime Minister and the Minister for Education, Science and Training have exposed the falsity of the government's claims about caring for battlers. We heard all about Howard's battlers, but this policy, along with some others, really exposes as a falsehood any claims that the government cares about battlers. In fact, what we see instead is a government that looks to only five per cent of the nation in terms of increasing resources to education.

Labor says that we must reconsider this. We ask the government to reconsider the way in which it is funding schools. There has been a lot written about these matters. Indeed, I know there are advocates for the government’s position on funding. People could argue that there was a relatively stark choice in the area of education in this election campaign just gone, but I think a lot more has to be considered. In light of the fact that we have gone past the razzle-dazzle of the campaign maybe we can now get back to focusing on what we need to do for this country.

I would like to refer to a report prepared by a leading economist, Dr Vince FitzGerald, entitled Governments working together. Indeed, this report makes a number of very good observations about the education system and pulls no punches in relation to concerns at both federal and state levels. I would like to quote a part of that report. It said:

While the Australian school education system appears to serve the majority of the community well, it is failing substantial groups of students and their parents. There is a significant minority of young people who fail to achieve even minimum learning benchmarks, and there are clear differences in access to education and learning outcomes between those from high and low socioeconomic backgrounds, Indigenous and non-Indigenous backgrounds and, for reading achievement, between girls and boys.

The causes of these outcomes are complex and include uneven participation in early childhood education, inequitable funding for school education, the failure of some schools and teachers ...

Dr FitzGerald does point to a number of factors that lead to deficiencies in the education system, but amongst those primary factors he
lists, quite rightly I believe, inequitable funding for schools education funding and he points to the fact that there is a causal link between coming from families from better socioeconomic backgrounds and doing better in education. For example, a person from a better socioeconomic background is almost twice as likely as a person from a less good socioeconomic background to get to university.

Using the ABS statistics of the census of 2001, I will just draw a comparison between my electorate of Gorton and the electorate of Bennelong. I know the Prime Minister’s electorate is not the wealthiest electorate represented in this chamber, but I think this is an interesting comparison which points to the fact that there are still inequities in regions in different parts of Australia and therefore we need funding to address those. A person in Bennelong is four times more likely than a person from Gorton to graduate from a university at a bachelor of arts level at least. A child aged between 10 and 14 in Bennelong is more than three times more likely than a child in Gorton to have access to and use of the Internet.

There are, therefore, clear deficiencies in some parts of the country in terms of access to education. I am sure those things I have raised about the deficiencies we may have in Gorton in terms of resources are also true not only in other parts of metropolitan Australia but also certainly in rural Australia. I have said before that I believe there are similarities between the nature of some of the lack of services that I experience in my electorate and those in regional and rural Australia. I think it is about time that those members opposite, particularly those who represent quite poor communities where there is less access than in the leafier suburbs of Melbourne and Sydney, argue inside their party room to have policies changed. In particular, in relation to this matter, I think it is about time they argued to have the education funding model changed to be based on need, not on inequity.

Mrs HULL (Riverina) (1.18 p.m.)—In following the former speaker, I would like to bring to the attention of the House the fact that equity is what this government is all about—equity for all Australians, not just for some Australians. You may not think that when you hear some of the speeches that are delivered to this House, particularly by the opposition.

When we were going into an election period this year, the opposition espoused a particular option that would take funding from so-called wealthy schools and redistribute it. That was of great concern to me. I do not have any wealthy schools in my electorate, but I certainly have children in my electorate who come from very poor backgrounds and who have no other choice but to leave home to get an education. They leave home for 12 months of the year; they go boarding somewhere. When they go, their parents generally try to find the very best facilities they can to put them in. It is the thing that parents that have chosen to live out in isolated areas do to compensate their children. Their children have to leave home and go to boarding schools in city areas, so their parents try to get them into the very best schools. And they significantly do without. They could by no means be called rich, and yet they would have been the ones who would have been severely impacted upon. Those with no choice or with little choice would have been the most heavily impacted upon. Therefore, I was very concerned when I listened to the former member’s speech: the Labor Party do not practise what they preach.

Today I particularly want to talk about inequities in education and how this government have risen to the challenge and have supported equity in education for rural and
regional students. They have met the criteria—clearly part of the states’ responsibilities—simply because the state Labor governments have walked away from their responsibilities for rural children who have no choice but to access school term hostels as their only means of getting to a school gate, whether that be a public school gate or a systemic Catholic school gate.

In this case, I will talk specifically about Claughton House. The Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 that we have in front of us deals with a range of education issues, including funding for non-government rural student hostels. That is something that I have fought for in here for six years. It is something that I have fought the state governments for all this time. In 1997 they walked away from the students and the families that I represent, and they have never ever turned and walked back towards them. I figure that that is a shame and they should not be allowed to walk away.

The announcement of funding by The Nationals in particular—it was a regional services policy that was announced by John Anderson—was, as I said, a result of the state governments’ refusal to assist those school term hostels. Many years of lobbying by me to obtain this much needed funding fell on deaf ears in the states. But it was finally recognised, and I congratulate Deputy Prime Minister Anderson, the Prime Minister’s office and the Minister for Education, Science and Training for finally recognising that this is a good policy.

There are only around 997 of these students across Australia. I have only 38 of these students in my electorate—23 in Claughton House and 15 boys in Loyola House in Wagga Wagga. Claughton House is a school term hostel which has served the Hay community for over 80 years. As I have said, it has been an issue that I have worked on since my election as the member for Riverina in 1998. Claughton House provides an education for children in rural and remote areas who would otherwise be unable to attend school. In many cases, their parents are itinerant workers or employed by the shows and circuses that travel around Australia. This is the only means by which their children can live a normal day-to-day existence.

One of the ladies who travels Australia widely with the show rang me to say that three children of hers are in Claughton House, and this is the first time they have been able to participate in Saturday cricket or to play team sports—rugby league, Aussie rules, basketball or netball. This is the first time they have been able to do these things as a team, because show people—as you would recognise, Mr Deputy Speaker Scott—are on the road all of the time.

I have fought for these people. I have stood and thought, ‘What do I have to do to get the states to understand that these kids do not just go somewhere else when you do not fund their student hostels?’ They do not just go and get an education somewhere else; they just do not get an education. Primarily, some of the parents are not able to provide that, as they cannot read or write themselves. They are literally not able to provide that School of the Air schooling that we have had for so many years. So these kids do not get a choice. I think that people have walked away from them in the states because there were not enough of them. But this is the right thing to do. This policy that the federal government has adopted is the right thing to do by Australian children.

As I said, out of the 997 students I have only 38 in my electorate, and I suspect that not one parent of those students resides in my electorate. I suspect that not one parent of those students would vote for Kay Hull as
the member for Riverina. But it was a good policy decision that has been walked away from by the state government and, in particular, by the state Minister for Education and Training, Dr Refshauge. He has never, ever, walked about, turned around and faced these children and said, ‘We care about your future. We care to give you equity. We care enough that we are going to provide the viability funding that we indicated that we would provide in the minutes from the MCEETYA meeting in Tasmania.’ Those minutes said that, yes, state governments would be responsible for viability funding for school term hostels—the only choice for some children to get an education.

This government have done an amazing job in turning that around. They have allocated $2,500 per student who attends a school term hostel. As we all know in this House—and we have heard many discussions and had many conversations—an education is the most valuable gift that we can give to any child. So why should these children be forced to accept less than equal funding from the state governments, simply because they live in rural and remote areas?

Children can attend Claughton House from the first years of school, and they do. From kindergarten through to year 12 we have these children attending school. Claughton House is run by the Uniting Church. It provides accommodation, meals, supervision and travel to each of the schools in Hay: St Mary’s Catholic school, Hay Public School and the Hay War Memorial High School. Claughton House does this for these children, and this is these children’s only choice. Claughton House has become an integral part of the Hay community. It has enabled thousands of children from remote areas to access an education.

As I said, the state Labor governments have walked away from these kids for seven years. We finally got this viability funding for four years for these kids. But I want to say that, for the 38 children who attend a hostel in the Riverina electorate, their options for fairness and equity in accessing education need to be recognised for far longer than the four years. It is of note that this government, I am sure, would intend to fund these kids recurrently for as long as the government is in place. But let me say that it would be a brave government that would ever take the funding away from these very deserving students who are looking to have an education.

As I said, it is no big vote winner for me—it has probably won not one vote, actually—but it is an issue that I believed in as a matter of fairness and equity and right policy. During the election campaign the minister announced funding of $10 million over four years. I am really proud to say that that was a direct result of my lobbying. It was something that I have put into this House every year of the six years that I have been here. I have lobbied successive ministers on this issue. And now we are putting it into practice.

The funny part about it was that, just as we got the funding in, the Uniting Church decided that they would close Claughton House, with its 23 students. Just last week, I travelled to Hay. We sat down and decided that we would form an incorporated association with local residents who would take on the responsibility of running Claughton House and who would be responsible for the education futures of these children. That is what Hay is all about. It is a can-do community. It is a community that would never walk away from these students. They are not the children of residents of Hay, either, but the community would never walk away from these students—and yet we see the state government, time after time, walking away.
We are going to need some more assistance for Claughton House in the next four years. We already have the very generous allocation from this Howard-Anderson federal government, picking up the states’ requirements for these children all over Australia. But I say to Dr Refshauge, the minister for education in New South Wales: we are going to need your assistance for Claughton House, because we need to start from the beginning again. We need to be able to provide security for the 23 students who are currently residing in Claughton House and accessing their education from there. I have great pleasure in being in this House to really thank the ministers and the government for seeing the equity and justice in providing an education option for all of these children, including those students who attend Loyola House.

During the election we also gave support for migrant school students to learn English. Over the next four years, more than $245 million will be available to assist newly arrived migrant school students in Australia to receive support in learning English. That might not seem very important to a lot of people, but, by gee, it is important to me in the Riverina. In the Riverina we have a significant number of arrivals from many other countries, particularly around the Murrumbidgee Irrigation Area in Griffith, Leeton and Hay. In all of these areas we have significant establishment of a multicultural pot. It is a wonderful example of how multiculturalism actually can work in communities.

The English as a second language new arrivals program deals with the needs of primary and secondary school students whose first language is not English. Many of my constituents who come into the country and do not speak English go off to school. Some of them are in high school. It must be very difficult for them to sit in a classroom, not understand what is happening and be expected to learn.

As I said, I have students in all those communities across my electorate. They will be able to take great advantage of this great program. In order for them to adjust to their new environment, English language skills are crucial. Under the program, these students develop their English language competence and are able to increase their educational opportunities for the future. All state and territory governments and non-government education authorities can access funding to assist with the delivery of intensive English language tuition for those students that are eligible. This funding agreement represents a 39 per cent increase over the last four-year funding period. I have taken the opportunity to come into the House today to applaud the government for something that is so dear to my heart. I am so thankful for it. It has been a great opportunity to be able to come in and say that this is a government who sees the equity for all Australians and delivers for all Australian children.

Ms KING (Ballarat) (1.31 p.m.)—I rise to speak in this cognate debate on the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 and the States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004, which includes an additional $1 billion in capital infrastructure funding for schools, announced during the election campaign. It also contains the government’s tuition credits scheme for students who fail year 3 reading tests, a measure announced some time ago but only now introduced.

The bills are supported, as without them the Commonwealth funding to government and non-government schools for next year would not be forthcoming. It would be a
brave member of parliament that would stop these bills and allow teachers not to be paid at the start of next year. Labor made a commitment during the election that we would not jeopardise 2005 funding for schools but rather, in government, we were seeking to introduce new legislation to enact our policies. Unfortunately, we have not been able to do that.

Whilst I support the flow of funding contained in these bills, there are some serious flaws in the government’s policies, including the fact that these bills contain virtually no recurrent increases over indexation for government schools; they continue for another four years increases of 200 per cent or more for some of the best-resourced independent schools in the country; and there is a lack of funding security beyond 2008 for the 60 per cent of Catholic systemic schools which have been categorised as ‘funding maintained’ to avoid the funding cuts that would have been applied if Catholic schools had been funding at the level set for their socio-economic scores. I have some serious concerns about where these education policies are heading and where they are taking us in relation to the opportunities available for those families and young people at the margins of our society.

Why is it that children of blue-collar workers have less than one chance in three of reaching university—only half the rate of children from professional and managerial homes? Why is it that children of blue-collar workers also finish school much less often and if they do complete school they are four times more likely to be unemployed? Why are 20,000 kids missing out on TAFE places each year despite having the skills and the passion to learn a trade? Why is it that amongst some families and in some regions this disadvantage is so entrenched? Why is it that Australia ranks 19th out of the 30 OECD countries for upper secondary school completion and has one of the highest proportions of 15- to 19-year-olds who are not in education or work, ranking in the bottom half of the OECD? Surely these are questions that should concern this parliament.

In my own region, estimates place the number of 15- to 19-year-olds who are out of work and not engaged in school or other education and training at around 23 per cent. We have an enormous responsibility to assist these kids, and to assist them earlier. Investment in education is fundamental to ensuring that these young people have opportunities. Investment in education is the best way to address inequality: it is the best chance we have of breaking the poverty cycle; it is a great leveller; and it is one of the key elements of our democratic tradition.

The debate on education in this place has become skewed. The government has redefined the very nature of choice, reducing it to a defence of the rights of parents to choose high-fee paying schools at the expense of the rights of parents to choose less expensive schools, whether they be government or non-government, and still have a right to expect a decent level of resources and good educational outcomes for their children. That is not choice; that is favouritism. That is saying there is an in-club and that, when it comes to schools funding, if you do not fit then you get fewer resources.

Professor Vinson in an article last month in the University of Sydney News argued that the current schools funding system in Australia was contributing to the poverty cycle because children left school with inadequate skills to compete in the labour market. He argued that the first step is to identify the specific resources and conditions necessary to provide all children with a reasonable educational opportunity. He said:

This amounts to working out the cost of purchasing a standard, adequate, ‘market basket’ of edu-
ational goods and services required to provide every child with an opportunity to meet specified education standards—

and then adjusting it, based on the needs of students in different areas. He argued that around $9,000 per annum for primary school students and $12,000 for secondary school students is needed. That sounds a bit familiar to me. That is exactly the argument Labor was making during the election campaign.

We have to stop this cultural divide the government has created between private and public schools—stop the false arguments that the Commonwealth should look after private schools and leave the state schools to the state government systems and that the Commonwealth should spend more money on private schools and skew its funding towards private schools and spend less on state schools. Australian governments have a responsibility for all students and a responsibility to fund schools to an adequate level so all students, regardless of the types of schools they go to, have access to the same standard of resources and can expect the same learning opportunities.

As mentioned at the outset, the legislation introduces an additional $1 billion for capital works in government and non-government schools. The funding for government schools is to be paid directly to parents associations. In the case of non-government schools, it will go to block grants authorities. Our understanding of the link between capital investment in infrastructure and educational and other learning outcomes is growing. There is evidence to suggest that students with better capital facilities have better learning outcomes.

But the evidence is a bit more complex than that. The PricewaterhouseCoopers report commissioned by the New South Wales Department of Education and Training argued that the evidence in the study supported the link between improved learning outcomes and capital investment, but there were several qualifications. The first was that different types of capital investment have an impact on results. What they were saying was that expenditure targeted at developing specialist areas for science, technology and ICT was generally considered by most head teachers as having the greatest positive impact on pupil attainment. In addition, replacing or modifying classrooms whose design inhibited desirable teaching methods was also reported to have a significant impact on pupils’ ability to learn.

The second qualification in the PricewaterhouseCoopers report was the finding that head teachers in schools with either extremely low or extremely high levels of attainment reported a weaker link between capital and performance than those schools with average attainment. In schools with relatively poor attainment levels, head teachers struggled to see how capital investment on its own could help to improve pupil performance. In schools with high attainment levels, head teachers could not always see the direct relevance of the capital-performance relationship. Both qualifications in the report point to the fact that the relationship between capital and educational outcomes is important, but it is more complex than just providing a blank cheque to schools regardless of what they are to spend the money on or what their level of need is and in the absence of other programs designed to assist communities in which schools with lower attainment levels operate.

Without a strong needs based approach and clear guidelines this legislation may achieve its political outcomes, but it may not achieve its public policy outcome, which should be the improvement of learning outcomes for all students. With finite government resources and with many schools across Australia experiencing declining capital stock, it is incumbent on the government
to be transparent about what the policy objective of this program is and the basis on which funds in this legislation are to be allocated, and to report on them. The policy this legislation enacts gives the government a final say on grant applications. I am concerned that the pattern we have seen emerge with the Regional Partnerships funding will occur here.

There are many schools in my electorate that are in need of capital works. Darley Primary School in my electorate, for example, is constructed entirely of demountable classrooms. There is not a single permanent classroom in that school. The office complex is a brick building, but the rest of the school is all demountable classrooms. It is a school of well over 300 pupils. Creswick North has no multipurpose sports facility or room for children to have their assemblies. If anybody here knows anything about Ballarat winters, they will know it would not be great to have a school assembly outside in the middle of June. Daylesford Primary School is on a really difficult site—it is very hilly. It has major problems with resurfacing its only recreation oval and the only clear space for kids to engage in physical activity, something that is so important in reducing childhood obesity. St Patrick’s Primary School are just plain running out of space. They do not have any more room to put the growing number of students they have.

Every one of the schools in my electorate, I can guarantee, has an urgent capital works project. I will be contacting them to make sure that they know about this funding going through the House. I will be encouraging them to submit applications. But, given the pattern that has already emerged with the government’s Regional Partnerships program, I am concerned that Ballarat schools will miss out. When I see that $12 million was poured in from the Regional Partnerships program to the seat of Bass—and Launceston is a town not that different to Ballarat in both physical structure and size—and the whole electorate of Ballarat got $700,000, I think I have reason to be concerned. I do want to see this money used as a convenient pork barrel in marginal seats. The Minister for Education, Science and Training must guarantee that every dollar spent on this program is accounted for and goes to the schools with the highest need, not those in places where the government deems it needs to win votes. I also have concerns that competition for these grants is not on a level playing field. The government must work with parent councils and principals to assist them in applying because those parent councils with more political nous and experience and with louder voices may not necessarily represent the neediest schools.

The other element of this legislation is the government’s initiative announced in the May budget—the pilot Tutorial Credit Initiative—which gives a voucher to purchase reading assistance of up to $700 to parents of students who did not achieve the Year 3 minimum national reading benchmark. The lateness of this initiative is of concern. I have been contacted by some parents who received their reading tests back in June asking how they could access the fund. They have now had to wait for over six months. I am unclear as to why the bill was not introduced earlier given some of the legislation that was rushed through this place in the last session before the election. The government, I would have to say, also seems to have underestimated the amount of funds needed for this scheme. It is looking more likely that parents will not receive a full $700 but, rather, something in the vicinity of $420. That is something the minister should respond to in his reply. This is an area I feel very strongly about, and I will be very closely watching the evaluation of this pilot.
In my first speech in this place I talked about one of the major manufacturing companies in my electorate. When I was first elected in 2001 the human resources manager of a company that employs over 500 people in my district had just won a new contract. They had put 80 jobs in the local newspaper. That was a huge effort and a huge amount of jobs to boost local employment in my electorate. What the human resources manager had to tell me was that, of the 200 applicants that they had for those 80 positions, well over half of them failed a basic year 9 literacy test. He said that, in the case of at least a third of those, he did not know how they functioned within society. They were basically innumerate and could not even read street signs. It is extremely worrying for any community that has a high level of unskilled labour, high mature age unemployment and high youth unemployment to accept literacy levels of that rate. That was a good learning experience for me about some of the things we needed to do. We do need to invest in adult literacy, but it is terrific to see that we are now starting to invest, after a lot of rhetoric, in early literacy to try and get to kids much earlier than when they are applying for jobs in the manufacturing sector. I think the national literacy award has also boosted literacy within schools. I want to put on record my congratulations to Myrniong Primary School, which was one of the winners I was able to present an award to just before the election.

Schools funding is not something that should promote further inequality in our society. It should not promote further inequality in schools resourcing by giving the largest funding increases to schools with the highest level of resources. Schools funding should not further entrench poverty and disadvantage, and the government needs to hold itself to account for policy objectives—for learning outcomes for all students, not just for some students. It needs to stop the rhetoric that divides the community between parents who can afford to take their children to high fee paying schools and families who do not have that choice. I commend the bills to the House.

Mr HARTSUYKER (Cowper) (1.45 p.m.)—I want to speak about this government’s commitment to quality education, particularly our commitment to funding education over the next four years. The funding package as outlined in the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 and the States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004 will provide some $33 billion in funding for the period 2005-08—an increase of some $9.5 billion over the current funding period. This is the largest ever funding commitment to Australian schools by any federal government. The bills guarantee funding by the Australian government for both government and non-government schools. This government believe in the principle that every child should have financial support for their education regardless of the school they attend. The bills are about providing for choice in education and providing opportunity for our young people to gain the type of education that all parents want their children to have.

State government schools over the next four years will receive funding from the federal government by way of an increase of some $2.9 billion. This represents an increase in recurrent grants of some 36 per cent over the current quadrennium. A major factor is also the support for our Catholic schools. The general recurrent funding for Catholic schools over the proposed period will be some $12.8 billion—an increase of some $3.7 billion. Independent schools will receive some $7.8 billion in general recurrent
funding—a substantial increase over the current quadrennium.

The bills deliver on several important commitments which the federal government has made to our education system. With regard to capital infrastructure, many of our children currently attend schools where the standard of those schools is inadequate. Much of this problem relates to inadequate funding by a host of state Labor governments. As a result, the infrastructure of those schools is substandard, and the learning environment in those schools is not as good as it could be. The Howard-Anderson government is committed to school infrastructure and already commits substantial amounts of funding to state government schools as well as to non-government schools. The bills continue that commitment by providing some $1.5 billion in capital funding over the period 2005-08.

Importantly, the bills also implement our election commitment of a further $1 billion to restore and build infrastructure for our schools and their grounds, of which $700 million will be provided directly to government schools so that P&C associations will be able to determine the priorities for their local projects. Examples of projects which could be funded under this program include classroom improvements, library resources, computer facilities, airconditioning, heating, outdoor shade structures, playing fields, sporting infrastructure and playground equipment. These projects are urgently needed by schools and the federal government is meeting those needs through this program.

The legislation provides that the funding be made directly to schools. The inability of state Labor governments to provide services on the ground in so many areas has been part of the strategy to provide direct funding. This works very much along the lines of the very successful Roads to Recovery program, where funding is provided directly to local councils to meet local road needs. The principle is very much the same. I look forward to working on funding applications with my local schools to see much-needed infrastructure either built or restored. State Labor governments have been neglecting our government schools for too long. New South Wales is one of the highest taxing states. It receives substantial GST revenue and it has been receiving very high levels of stamp duty. It recently introduced taxes including the poker machine tax and the real estate vendor tax. Despite these funding sources, the New South Wales government are still unable to provide the sort of funding for our schools to keep the level of capital infrastructure to appropriate levels, to ensure that our young people have an educational environment appropriate to their needs. This new $1 billion initiative will help restore and build Australia’s schooling infrastructure. It is a much needed program and one that I commend wholeheartedly.

The legislation also provides for school-term hostels. Many people in isolated areas experience great difficulty in getting the type of education they want for their children. The legislation provides new additional funding in recognition that it is becoming more costly for families in isolated areas to achieve appropriate education outcomes for the children. The Howard-Anderson government will provide non-government school-term hostels across Australia with a grant of $2½ thousand per child over the next four years.

The legislation also provides for special purpose grants and continues the government’s commitment to improving literacy and numeracy for all Australian students. Students who are most in need of additional learning assistance will benefit from approximately $2.1 billion under a new program: the Literacy, Numeracy and Special Learning Needs Program. A key feature of
the legislation will be to strengthen the performance framework for government funding. This will reinforce the link between funding provided and improved educational outcomes. Underpinning this will be a requirement for greater national consistency in schooling, requiring a common starting age and common testing standards. The tendency these days is for labour to become much more mobile than it once was. People are tending to move around the country—from cities to regional areas and from state to state. I think it is vital that when a child moves from one educational jurisdiction to another there is a reasonable expectation that the progress of that child will not be impeded by a dramatically different educational framework.

The schools assistance bill provides for better reporting to parents. I think that all parents would like to know exactly how their child is performing. They need an accurate measure. They need to be able to determine whether their child needs extra assistance; they need to be able to determine that their child is doing as well as they would wish him to do. It is a rather unfortunate situation at the moment that many school reports are unclear and do not provide parents with the sort of information that they believe they need to make informed judgments on what is a very important issue—the education of their children. If a child is in need of additional assistance, appropriate reporting of that child’s progress is a good way of making sure that the needs of the child are brought to the attention of the parents. I commend this measure. I commend greater information being given to parents to make informed decisions. I commend that notion. The minister is highly focused on the fact that parents wish to know and need to know how their children are performing.

The bill will also provide information to parents on how their school is performing. I think it is important that, if we are going to focus on schools which are struggling a little, we have those performance indicators so that resources can be diverted to schools which are perhaps not achieving the results that other schools are achieving. This will ensure that we take the necessary steps to improve the performance of those lesser performing schools, to the benefit of the students at those schools.

The bill is very focused on values, including the issue of requiring schools to fly the Australian flag. I think the flag is a vital symbol of Australia, a symbol of what we are and what it means to be Australian. The focus of this bill on values education, I think, is a very commendable element. This bill represents a historic investment in the future of our schools. The Howard-Anderson government is committed to quality schooling for all Australian students, regardless of which school they attend. This legislation will strengthen all schools. Through improved accountability and outcomes, this bill will ensure that the education sector continues to improve and continues to provide better outcomes for our children.

This is a landmark bill, providing a record $33 billion in expenditure over the next four years. It will provide $27.9 billion in general recurrent grant assistance to government and non-government schools; $1.5 billion in capital grants to assist with the provision of school facilities; $2.1 billion for the Literacy, Numeracy and Special Learning Needs Program; $117 million for the Country Areas Program, so vital in regional and rural Australia; $245.8 million under the English as a Second Language New Arrivals program, to assist newly arrived students; and $114.2 million for the languages program, to improve learning outcomes for students learning languages other than English.
Certainly, with regard to this legislation, the $1 billion additional capital infrastructure funding for both government and non-government schools is of major importance in my electorate. I know that there are a significant number of schools with demountable classrooms which require upgrading. Whilst demountable classrooms do serve a purpose, if we can improve the quality of accommodation for those students we will be able to achieve improved educational outcomes.

I think that the elements of this bill which promote consistency from state to state in education, where a child can move from New South Wales to Queensland without it appearing as if he or she has moved to another planet, are highly commendable. There are a great number of elements of this bill which are to be commended. The bill very much focuses on the need to spend additional funds in education. Education, we know, is a great leveller in our community. It is a way in which we can empower our young people to achieve. We can empower our young people if we give them the sort of start that they need in life to go on to great things.

We talk of the skills shortage. A highly educated work force is the very best way we can ensure that we build up our skills base. Certainly, I will be very focused during this term on ensuring that we talk to our P&Cs and that we get some of this capital funding out to the schools which are the most needy. I think it is vitally important we do that. It is vitally important that we upgrade our schools. Unfortunately, so much of state government funding seems to be consumed by administration and bureaucracy. The more funding we can get to schools on the ground and the more funding we can get into providing educational outcomes on the ground, the better the results we will have for our young students. The better the educational outcomes we have, the more productive a nation we can be.

We face an ageing population. We are highly dependent on young students who come into the work force being highly trained. The way to ensure that they are highly trained is to give them the best possible education. This bill basically attempts to do that by providing for educational standards, additional capital funding and funding for the needs of students in rural and remote Australia. I think it is very important that we acknowledge the needs of students in regional and rural areas. It is very hard to obtain a quality education when you are a long way from your nearest school. Regrettably, for some students, it may mean long periods of time away from their families, their support base. Those students have to travel away to school because there are very limited opportunities for them. This bill aims to provide support for those students.

This bill aims to strengthen the quality of educational outcomes in this country. This bill aims to redress some of the problems of chronic underfunding under state Labor. This bill aims to provide funding directly to schools so that local P&Cs can provide advice on local priorities. Local P&Cs can provide information to government on the most needy areas in their schools and can make decisions at a local level. Decision making at a local level is where we can accurately gauge where education funding is needed. I will be very keen to work with my local P&Cs and local parents to ensure that the educational outcomes we achieve, through the funding that is made available under the bill, are very accurately distributed.

I know that the Minister for Education, Science and Training is very focused on the need to get that capital funding out into the community to improve some of those schools where children work in demountable schoolrooms. This bill supports not only private sector education but also vitally needed funding for our state schools. We are sup-
porting choice in education. We are supporting our many good state schools, as well as our many good Catholic and independent schools. In the electorate of Cowper I am very focused on the needs of my school community. I am very focused on the fact that many of my P&Cs have highlighted a range of shortcomings, particularly in the area of capital funding, and I will be keen to address that by way of the capital funding that is going to be made available under this bill.

The SPEAKER—Order! It being 2 p.m., the debate is interrupted in accordance with standing order 97. The debate may be resumed at a later hour.

QUESTIONS WITHOUT NOTICE

Defence: Pre-emptive Military Strikes

Mr LATHAM (2.00 p.m.)—My question is to the Acting Prime Minister. I refer him to previous government statements on military pre-emption. Under what circumstances is the government prepared to support pre-emptive military action against the sovereign territory of another country?

Mr COSTELLO—I think the government has made its position quite clear in relation to this—that is, that the government believes that it has a duty to Australians to protect them in circumstances where their lives or their security might be threatened. The government of course would take that duty seriously. It would seek in all circumstances to operate with other like-minded countries in ensuring that the security and the safety of the Australian public is maintained. The people of Australia will know that, under this government, security will be strong and the nation will be strong.

Economy: Performance

Mr CAMERON THOMPSON (2.01 p.m.)—My question is to the Treasurer. Would the Treasurer advise the House of the results of the September quarter national accounts, released this morning by the Australian Bureau of Statistics? What do they indicate about the economy and the importance of responsible economic management?

Mr COSTELLO—I thank the honourable member for his question. I can inform the House that the national accounts were released today for the September quarter, showing that the economy grew by 0.3 per cent in the quarter and three per cent through the year. Household consumption continues strongly, growing at 5.4 per cent through the year, underpinned by low interest rates, strong consumer confidence and the lowest unemployment in 27 years.

There has been some slowdown in dwelling investment, both in terms of new housing and alterations. The government welcome this. The government have been saying for some time that continued large increases in prices in the housing market would not be sustainable. We welcome the fact that all of the indicators—building approvals, credit, auction clearances and prices—now indicate some slowing in that market.

There was a large detraction from growth from net exports. I indicated in the House on Monday that this would occur. No doubt Australia’s exporters are finding things made more difficult by the high level of the Australian dollar. The terms of trade have risen in Australia’s favour by 10.8 per cent through the year and are now at their highest level since 1974.

Today’s national accounts also indicate that there is no strong inflationary pressure in the Australian economy, with the household consumption indicators in fact being lower than the CPI and lower than the target range the government has set with the Reserve Bank. All of this indicates that, while Australia is growing at a slower rate in this quarter than it was in the earlier quarters of the year,
prospects for the economy remain strong, supported by good consumer sentiment, low interest rates and strong employment. It indicates that important economic management must continue and reform must continue. The best thing we could do for the Australian economy is to pass the government’s reform agenda, particularly in relation to industrial relations, to make Australia a more competitive place and to give young people greater opportunities.

Defence: Pre-emptive Military Strikes

Mr Latham (2.04 p.m.)—My question is again to the Acting Prime Minister. I refer to his earlier answer when he confirmed the government’s willingness to launch pre-emptive strikes under certain circumstances. Why then did the Prime Minister last night say that the government has no doctrine of military pre-emption? What diplomatic efforts will the government now take to clear up this confusion and the damage to Australia’s interests in the region?

Mr Costello—There is of course no confusion. The government’s position is absolutely clear and consistent—that is, that the government will act to protect Australians and to protect their security. We will act in concert with countries in the region who also want to make sure that their countries are not used as terrorist bases or used to attack Australians.

I think that Australia’s position in the region is well understood and is admired. It was the Australian assistance to Indonesia that actually managed to bring to justice the Bali bombers. It was our cooperation with the police of Indonesia which is giving them opportunities in relation to winding up terrorist threats. If anybody wanted evidence of this government’s ability to work in concert with the nations of South-East Asia they got it overnight when this government opened up the opportunity for a free trade agreement with ASEAN—an agreement which the so-called experts on South-East Asia, the Australian Labor Party, were unable to progress during 13 years of government.

Mr Crean—Absolute rubbish!

Mr Costello—‘Absolute rubbish,’ says the member for Hotham. Oh, I missed the Australia-ASEAN free trade agreement that was signed between 1983 and 1996, did I?

Mr Crean—that’s not the point you were making.

Mr Costello—I missed it, did I?

Mr Crean—Be honest.

Mr Costello—The member for Hotham is the Labor Party’s sound effects man down on the front bench.

Mr Latham—Mr Speaker, I rise on a point of order on the question of relevance. The question was about the government’s confusion on military pre-emption; not about a trade agreement. It is a question about military pre-emption, and the Acting Prime Minister should come back to the point of that question.

The Speaker—The answer is in order.

Mr Costello—I was asked about the understanding of Australia’s position in the region, and I am making the point that Australia’s position in the region, as demonstrated by this breakthrough agreement, is stronger than it has been for a very long period of time and certainly much stronger in the region than it was between 1983 and 1996.

Mr Crean interjecting—

Mr Costello—The sound effects man is at it again with his interjections. He beats in time, but not to the drum of his own party. I indicate that Australia’s position is well understood. Our cooperative relations with Asia are as good as they have been. I
think both sides of the House would actually welcome this wonderful breakthrough that has occurred overnight.

**Association of South-East Asian Nations: Free Trade Agreement**

Mr KEENAN (2.07 p.m.)—My question is addressed to the Minister for Trade. Would the minister inform the House of the developments in Australia’s economic management with South-East Asia?

Mr VAILE—I thank the honourable member for Stirling for his question. I congratulate him on an outstanding job in the recent election to win the seat of Stirling for the government. During the summit in Vientiane yesterday, leaders from ASEAN, Australia and New Zealand agreed to launch free trade agreement negotiations between the 12 countries. This is an historic development in Australia’s engagement with South-East Asia. An ASEAN FTA will consolidate Australia’s ongoing economic integration with South-East Asia. An ASEAN FTA will boost trade and commercial links with one of the most vibrant economic regions in the world.

The 10 countries of ASEAN are home to 545 million consumers. They generate a combined GDP of almost $US700 billion. They are currently growing at an average GDP growth of 5.5 per cent per year. An FTA will present Australian exporters with new commercial opportunities in this enormous and expanding market, delivering the progressive elimination of tariff barriers in trade, goods, services and investment. It will lead to further job creation in our export sector—a sector that has helped contribute to the growth in jobs in the Australian economy since 1996, which now stands at 1.4 million jobs since this government was elected.

Negotiations on this agreement will begin early in 2005 and are forecast to be concluded early in 2007. They will build on the existing closer economic partnership agreement we have already negotiated with the 10 ASEAN countries that was signed in 2002. The last time an Australian Prime Minister was invited to an ASEAN leaders summit was in 1977. If my memory serves me correctly, Mr Speaker, I do not think you were in the House then. At that meeting, leaders demonstrated a mutual desire for ASEAN, Australia and New Zealand to enhance dialogue, relations and cooperation. I am pleased to inform the House that 27 years later that mutual desire has now become a reality.

**Telstra: Dr Ziggy Switkowski**

Mr SWAN (2.10 p.m.)—My question is to the Acting Prime Minister and the Minister representing the Minister for Finance and Administration. Is the minister aware that Dr Ziggy Switkowski stepped down as Telstra CEO this morning and will receive a payout of over $2 million? As the majority shareholder in Telstra, is the government satisfied that Dr Switkowski’s $2 million golden handshake is justified?

Mr COSTELLO—The answer to the first part of the question is yes. The answer to the second part of the question is that the board has indicated that it will honour the contract and, as the majority shareholder in the company, we believe that the contract should be honoured. That is the way in which corporations operate. When they enter into contracts, reputable corporations tend to keep them. We would say that this is a reputable company and that it is obliged to keep its contracts.

**DISTINGUISHED VISITORS**

The SPEAKER (2.11 p.m.)—Before calling for the next question, I recognise in the gallery the Hon. Warwick Smith, former minister and former member for Bass.
QUESTIONS WITHOUT NOTICE

Association of South-East Asian Nations

Dr JENSEN (2.11 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of the outcomes of the ASEAN-Australia-New Zealand summit meeting yesterday in Laos?

Mr DOWNER—First, I thank the honourable member for Tangney and congratulate him not only on his maiden question but also on his election to the House of Representatives. I know that the people of Tangney will be well represented by him.

Yesterday’s ASEAN-Australia-New Zealand summit was a truly historic event in the history of Australian diplomacy. It brings together the ASEAN leaders as well as our Prime Minister and the New Zealand Prime Minister. The summit was more than just symbolic: it was a practical expression of the very deep relations Australia enjoys bilaterally, regionally and collectively with the countries of South-East Asia. A key achievement was the launch of the negotiations to establish an ASEAN-Australia-New Zealand free trade agreement. But the leaders also issued a declaration highlighting cooperation between Australia, New Zealand and ASEAN in areas like counter-terrorism; combating transnational crime; looking at ways of building the economies of the region, or at least the less developed economies of the region; and addressing some of the key social and health issues of the region such as SARS, avian flu and HIV/AIDS.

This was an enormously important event and it does demonstrate a couple of points that I think really need to be understood. Firstly, Australia’s engagement with Asia is something that is continuing to grow year by year and very successfully. Secondly, we have been able to do that and maintain a very strong alliance relationship with the United States of America. By being able to do both—not just one, but both—of those things, we have been able to enhance the security and the economic interests of Australia to an extent that we never could have done if we had pursued any alternative proposal.

I note that at the end of the summit the Prime Minister of Malaysia, Dr Abdullah Badawi, publicly indicated, as the host of the next summit to take place in Kuala Lumpur, that he would welcome Australia’s and New Zealand’s participation. The Prime Minister has made it clear that such an invitation would be warmly accepted by Australia. We look forward to continuing to build that engagement with Asia. The last 24 hours have been an historic 24 hours in the history of Australian diplomacy. When that history is written there will be a footnote, and that footnote will be that on the very day of these historic developments the Australian Labor Party moved a matter of public importance condemning Australia for its relations with Asia. That is the footnote that will be the Australian Labor Party.

Government members—Shame, shame!

Regional Services: Program Funding

Mr LATHAM (2.15 p.m.)—My question is to the Minister for Local Government, Territories and Roads. I refer him to his answer yesterday when he said that he had approved a $1.2 million grant to Primary Energy Pty Ltd under the SONA guidelines. Now that these guidelines have been publicly released for the first time, can the minister inform the House how an ethanol project in Gunnedah was assessed as a project of high national significance and whether the department’s national office recommended in favour of this project, as per the SONA guidelines? Will the minister now table the departmental advice?

Mr LLOYD—I welcome the question from the Leader of the Opposition in relation
to Regional Partnerships and the SONA projects. The strategic element of Regional Partnerships is used to fund projects of high national significance that may fall outside the administrative constraints of Regional Partnerships. It is important to stress that these projects are assessed in the normal way, including being consistent with the purpose of Regional Partnerships and the program assessment criteria of clear outcomes, benefit to the community, partnerships and sustainability. All projects funded under this arrangement are placed on the public record on my department’s web site. This process is totally transparent. So far, 12 projects, all of which are very worthwhile projects, have been funded under these arrangements.

Mr Melham—Which electorates?

Mr Lloyd—I hear the interjection, ‘Which electorates?’ There is a very important project called Beef Australia in the electorate of Capricornia.

Mr Latham—Mr Speaker, I rise on a point of order on relevance. The question was about one project, the project in Gunnedah. Surely it makes a mockery of the House for the minister to read out a prepared answer irrespective of the question that has been asked. He would have read this answer out no matter what question had been asked.

The Speaker—The minister is in order.

Mr Lloyd—The Leader of the Opposition asked about the SONA projects, and I am pleased to inform the House about some of the projects. One of them is Beef Australia 2006 in the electorate of Capricornia. Under the SONA guidelines, $2.2 million was approved for this project. There was another project approved under the SONA guidelines, and that was in the electorate of Lingiari. The Christmas Island mobile upgrade project was for some $2.5 million, and again it was approved under the SONA guidelines.

Mr Albanese—Mr Speaker, I rise on a point of order on relevance. This was a very specific question about the Gunnedah project following on from questions yesterday.

The Speaker—The minister is in order.

Mr Lloyd—As I was saying, under Regional Partnerships there are some very important projects in the national interest, such as the ethanol project in the Namoi Valley and the Christmas Island mobile upgrade project at some $2.5 million. The opposition seems to think there is something untoward about the Strategic Opportunities Notional Allocation guidelines. There is nothing untoward about this. These are important programs. I am happy to table documents in relation to this. I am happy to table the minutes of the Namoi Valley Structural Adjustment Package subcommittee meeting which approved the funding of the ethanol project. I am also happy to table a letter from Kevin Humphries, chairman of the Namoi Valley Area Consultative Committee, to former minister Wilson Tuckey, which again highly recommended the project. I am also able to table the Namoi Valley Structural Adjustment Package project assessment and the procedures for the Strategic Opportunities Notional Allocation, SONA, guidelines.

Mr Latham—Mr Speaker, I rise on a point of order. The question actually asks for the tabling of the departmental advice on the ethanol project at Gunnedah. Will the minister table that, as per the question that was asked?

The Speaker—The minister has answered the question.

Howard Government: Trade Policy

Mr Richardson (2.20 p.m.)—My question is addressed to the Minister for Trade. Would the minister inform the House of the government’s Asia trade strategy?
How will this strategy deliver dividends for the Australian economy?

Mr VAILE—I thank the member for Kingston for, I think, his maiden question, and again congratulate him on his outstanding victory in winning for the government the seat of Kingston in South Australia. The answer to the question is that it is all about jobs. The announcement overnight that ASEAN has agreed to begin negotiating an FTA with Australia and New Zealand is another clear illustration that we are achieving results from our comprehensive trade strategy, particularly with Asia. This includes not only our objective of negotiating the FTA with ASEAN but also the free trade agreement that is now in force with Singapore, the free trade agreement with Thailand, the scoping studies with China and Malaysia, a trade and economic framework agreement with our major trading partner, Japan, and ongoing trade facilitation through APEC. This, of course, is all underpinned by our efforts in the multilateral system to achieve a successful outcome in the global trade round.

Economy: Growth

Mr SWAN (2.23 p.m.)—My question is directed to the Treasurer and relates to today’s growth figure in the national accounts of 0.3 per cent, the worst quarterly figure in almost four years. Treasurer, in light of the growth figure revealed today does the government still stand by the growth forecasts on which its $66 billion of election promises were based? Does the government still guarantee it will run budget surpluses across the forward estimates as well as deliver its election promises?

Mr COSTELLO—The answer to the second part of the question is yes. In relation to growth forecasts, the government has laid down a procedure, which we have followed since the Charter of Budget Honesty was enacted, which provides that the government brings down a May budget and a midyear fiscal and economic outlook. The government updates its forecasts from the budget in the midyear economic and fiscal outlook, which it will do this year, as it has done for the last nine years. I can assure the House of this, though: this government, having taken the budget out of deep deficit—where the Labor Party had put it—after having inherited a $10 billion deficit and $96 billion of Commonwealth debt, having driven the budget into surplus and having kept it there for seven surpluses, is not going to go back to deficit. We are not going to go back to Labor Party economic policy; not for a moment would we go back to Labor Party economic policy.
Let me make one last point about economic credibility. Economic credibility does not come from signing pieces of cardboard. During the election campaign the Leader of the Opposition did work on his economic credibility. He went down to Melbourne, he pulled out a big piece of cardboard and he signed it. He said, ‘There it is. I am now credible.’ The people of Australia expect a little bit more than that. They expect consistent economic policy. That is what this government has given them over the last 8½ years. It has made Australia one of the leaders amongst the developed economies of the world and this government will ensure that the reform program continues so Australia can stay there.

The SPEAKER—The honourable the current member for Bass.

Unfair Dismissal

Mr MICHAEL FERGUSON (2.25 p.m.)—Thank you for identifying that there has been a change in the wind. My question is addressed to the Minister for Employment and Workplace Relations. Would the minister inform the House of the benefits to the economy from exempting small businesses from unfair dismissal laws? Are there any alternative policies?

Mr Albanese—I rise on a point of order, Mr Speaker. You indicated when you became the Speaker that you would rule out any part of a question which asked for alternative policies in the fashion which that question did.

The SPEAKER—The member for Grayndler will resume his seat. I think if the member for Grayndler checks the Hansard he will find that I did not say that.

Mr Latham—Mr Speaker, I rise on a point of order regarding the responsibilities of ministers. Questions have to go to their ministerial responsibilities. How can a minister be responsible for someone else’s alternative policies? That is the basis on which previous Speakers—

The SPEAKER—The Leader of the Opposition will resume his seat. The question is in order because it does not talk about any particular alternative. It merely asks for other policies.

Mr Latham—I rise on a point of order, Mr Speaker. How can the minister be responsible for someone else’s policies? Isn’t the minister here to give accounts to the House about his policies and government policies, not someone else’s?

The SPEAKER—The Leader of the Opposition will resume his seat. I have ruled on the point of order.

Mr ANDREWS—It is a delight to answer the question from the current member for Bass in the presence of a former distinguished member for Bass in this chamber. As both of those gentlemen will know, this government is about creating more jobs for more Australians. That is why in the last 8½ years we have got 1.4 million extra jobs in this country.

One of the things that small business operators all over Australia—including those from the Bass electorate, which I visited earlier this year—tell me about is the costs and the burden of the unfair dismissals regime. On Monday we had some more examples of that in the Daily Telegraph. James Hill, an electrician from Penrith in the member for Lindsay’s electorate, is quoted as saying: ‘It’s a ridiculous law. An employee can do whatever he likes, and we can’t do anything back.

Peter Adijans, an electrical contractor from Camden in the member for Macarthur’s electorate, said: It gets to the point where you think, ‘If it goes to unfair dismissal, I’ll wear it’ because it ruins the company otherwise.
That is the situation. That is what small business operators around Australia are saying about the unfair dismissal system. The restaurant and catering industry has estimated that it costs on average $3,600 and around 63 hours of management time to defend an unfair dismissal claim. That is time and money that small businesses can ill afford. No wonder the Melbourne Institute, in their 2002 study, found that the unfair dismissal laws in this country are costing some 77,000 jobs.

That is why tomorrow the government will reintroduce its fair dismissal reform bill. This bill will exempt employers of fewer than 20 people from unfair dismissal provisions in the Workplace Relations Act. This is a bill which on repeated occasions the Australian Labor Party has stood in the way of—has stood in the way of creating more jobs for more Australians. At least someone associated with the Labor Party can see that this is a ridiculous proposition from the ALP. Just last week, writing in the Australian, former Labor minister Barry Cohen said in an article which I would commend to members opposite:

It is difficult to know where to start when listing the grievances small business has about the Labor Party. But top of the list would have to be Labor’s refusal to support the repeal of the unfair dismissal legislation.

This is from a former Labor minister, someone who is actually involved now in running a business and knows, like we know, that this costs jobs for tens of thousands of Australians.

The Labor Party’s industrial relations spokesman, Mr Smith, the member for Perth, has been saying that he is going to be much more labour friendly and business friendly. Here is a test for the Labor Party: if they are much more business friendly then they will get out of the way of this legislation and allow it through so that we can create more jobs for more Australians. Either that or the words of the member for Brand which he uttered in 2000 remain true. Let me remind the House what the member for Brand said in July 2000:

We have never pretended to be a small business party, the Labor Party. We have never pretended that.

The choice is there now. Support this legislation and show you have changed your mind.

Economy: Foreign Debt

Mr SWAN (2.31 p.m.)—My question is directed to the Treasurer. Is the Treasurer aware of comments from credit rating agency Standard and Poor’s, saying Australia’s foreign debt posed a big risk to international investors and that they were rattled? When will the Treasurer admit that the nation’s record $406 billion foreign debt and $13.7 billion current account deficit are harming our economy and exposing Australia to significant international risk?

Mr COSTELLO—The IMF recently did a report on Australia where it commended Australia’s economic policy and called it one of the standout economies of the world. The OECD last night released its report, again commending Australian economic management and calling it amongst the best in the world. At the meeting of the G20 in Berlin last weekend, there was a lot of discussion about the lessons that Australia has learnt and how other economies might be able, in some respects, to get guidance from them. To have an economy which has grown at a clip of above three per cent through the Asian financial crisis, the US recession, SARS, record oil prices and the worst drought in 100 years, and to have unemployment at 27-year lows, says something.

Mr Swan interjecting—

Mr COSTELLO—I have been asked about credit ratings. There is one big difference today from the situation in the 1980s: in the 1980s, when the Labor Party was in of-
fice, not only Standard and Poor’s but also Moody’s downgraded Australia’s credit rating not once but twice. It was not until this government was elected that Australia was able to have its credit rating upgraded and to rejoin the international developed economies in having a AAA rating in relation to foreign currency borrowings. So the one thing that can be said unconditionally about the view of Standard and Poor’s is that its credit rating in relation to the Australian economy is much more positive now than it was in the 1980s. Having said that, does that mean that Australia can rest on its laurels and not continue economic reform? No. Australia has to continue the economic reform. Just as balancing our budget strengthened us against the Asian financial crisis, reforming industrial relations will give us the productivity lift of tomorrow. This is why we have to go further.

The one thing that I would say to the opposition echoes the statement that has just been made by the Minister for Employment and Workplace Relations: an opposition that was legitimately concerned about improving Australia’s economic potential would be an opposition that was passing the government’s legislation in the Senate, not opposing it. As I said earlier, the test for the opposition is not how many pieces of cardboard or how many declarations there are; the test for the member for Lilley is: can he change his party’s position on fair dismissals and industrial relations—because until that time the Labor Party will not have credibility on the economy and, what is more, the Labor Party will not deserve credibility on the economy.

Health and Ageing: Policy

Mr VASTA (2.35 p.m.)—My question is addressed to the Minister for Health and Ageing. Would the minister outline to the House how the government is ensuring that our health system remains affordable and accessible to all Australians? Is the minister aware of any alternative policies?

Mr ABBOTT—I thank the member for Bonner for including me in this historic occasion, the first question ever asked in this House by a member for Bonner. The Howard government has made the investment necessary to keep Medicare strong and sustainable. Since 1996, health spending has increased from under 15 per cent to over 20 per cent of the federal budget, and federal health spending has increased from 3.7 per cent to 4.3 per cent of Australia’s GDP. It is a record of solid performance and steady achievement.

The Leader of the Opposition said that the election should be a referendum on Medicare. The Australian people have obviously concluded that there will be no fool’s gold from the Howard government. As recently as yesterday, in this parliament, the member for Lalor tried to justify the so-called Medicare Gold policy, saying that it would save some $500 million to $600 million a year. If Medicare Gold is so good, why did Barry Jones say it was an absolute turkey and why did Peter Botsman say that it was a cross between a donkey and a wombat? If it is so good, why was the member for Lalor herself in two minds about it just a week ago? I would like to quote just one section of the member for Lalor’s notorious press conference of Friday a week back:

REPORTER: Well, can’t we get a yes or no answer on this, Julia? I mean, it’s a very simple question. Is Labor still committed to free health care for over seventy fives, yes or no?

GILLARD: No. Labor is saying. No. We are not...

REPORTER: Well, I mean... no, I’m sorry, but I mean, it’s a simple question.
GILLARD:
All right, well.

REPORTER:
Yes or no.

GILLARD:
Yeah, but it ... well, it’s ... you can put it like that, but you’re putting me in a position which is just—

and then she trails off. I can help the member for Lalor: her position is absolutely impossible, because it is impossible to support something in principle which simply cannot be delivered in practice. There were 27 pages of equivocation from the member for Lalor. I never really thought the member for Lalor was a religious person, but she resembles no-one so much as the Vicar of Bray, who could not say yes and could not say nay. Because her press conference deserves close study, I table the transcript.

Economy: Performance

Mr SWAN (2.39 p.m.)—My question is directed to the Treasurer. Is it the case that today’s national accounts show that Australia’s export performance of 29 trade deficits in a row is now harming our nation’s growth? Will the Treasurer tell the House what the government is doing to improve Australia’s poor export performance, rather than just blaming the dollar?

Mr COSTELLO—I think the question is: what is the government doing to improve Australia’s trade performance? The insinuation is that the government is not doing enough to improve Australia’s trade performance.

Mr Crean interjecting—

Mr COSTELLO—The sound effects man said on cue, ‘That’s right.’ Every now and then you get a ‘Kylie’. The question asks what the government is doing to improve Australia’s trade prospects—on the day that Australia has entered, for the first time in its history, into negotiations for a free trade agreement with the ASEAN region. On the very day that the government has entered into negotiations for an agreement for a free trade zone in ASEAN, the implication is that the government is not doing anything to improve our trade prospects!

As well as the ASEAN free trade agreement, this is the government which negotiated the US free trade agreement. This is the government which negotiated the Thai free trade agreement. This is the government which negotiated the Singapore free trade agreement. And this is the opposition which opposed very large parts of the US free trade agreement. So, if Australia’s exporters want to know what this government is doing, let me tell you. This government has the most ambitious trade agenda that any Australian government has ever had. This government has more positive returns on that trade agenda than any other Australian government has had. What is more, none of that could have been done—and none of that was done—by the Labor Party.

Education: Funding

Ms PANOPoulos (2.42 p.m.)—My question is addressed to the Minister for Education, Science and Training. Would the minister inform the House how the government is providing for Australian schools over the next four years? Is the minister aware of any other policies which threaten funding to Catholic and independent schools?

Ms Macklin—Mr Speaker, I rise on a point of order. This bill is being debated in the House today.

The SPEAKER—The Deputy Leader of the Opposition raises the point about the bill. It is correct that the answer cannot allude to the bill, but it can allude to the subject. I am sure the minister will be mindful of that.

Ms Macklin—On the point of order, Mr Speaker: the problem is that this bill is about
the complete funding of schools, government and non-government. That is what it is about.

**The SPEAKER**—I have ruled on the point of order, and I will listen carefully to the minister’s answer.

**Mr Latham**—Mr Speaker, on the point of order: can we clarify that you have made a ruling that the minister can refer to the subject of the bill but not the bill? If that is your ruling—

**The SPEAKER**—The ruling is that the minister can refer to the subject of the question, not to the bill.

**Dr Nelson**—I thank the member for Indi for her question and for her very strong support for choice in education. This government believes very strongly that Australian parents should be able to choose the school that they think is the best school for their child, whether that is a government school, a Catholic school or an independent school. I say to Australian parents that, if you do choose to send your child to a Catholic or independent school, if that school draws from very poor families you will get 70c in the dollar to support the education of your child.

**Ms Macklin**—Mr Speaker, I rise on a point of order. The bill is all about the funding of schools.

**The SPEAKER**—The minister is in order.

**Dr Nelson**—Since this government has been in office it has been, and as long as this government remains in office it will remain, very strongly committed to the principle that if Australian parents who have worked hard and paid their state and federal taxes choose not to send their child not to a government school but to instead send their child to a Catholic or independent school they will be supported by this government. Those children will receive financial assistance to support their education. In all cases they will receive less money than if they were in a public school, but they will be supported.

**Mr Kerr**—Mr Speaker, I rise on a point of order. The minister is placing you in an impossible position. He is speaking directly on the subject matter of the legislation. The point you make really does create a distinction about a difference, but I would submit to you that the anticipation rule is in the standing orders so that exactly this kind of abuse of question time cannot happen.

**The SPEAKER**—The relevant part of the *House of Representatives Practice* says to avoid anticipation of discussion of orders of the day. I am listening carefully to the minister, and he is in order.

**Mr McMullan**—Mr Speaker, I rise on a point of order. Under the new standing orders, standing order 100 specifically refers to questions not anticipating discussion, which is why you had such difficulty ruling on the answer. The standing order relates to the question, which was clearly and unequivocally out of order. You have made your interpretation—on what basis I am not quite sure—that the question was in order but you are going to rule on the answer, which the standing order does not refer to. The minister has not said one word that would have been out of order in debate on the bill.

**The SPEAKER**—The honourable member will resume his seat.

**Mr McMullan**—With respect, Mr Speaker, the standing orders also require you to hear my point of order.

**The SPEAKER**—You have made your point of order clear, and I will rule on it. The standing orders make it very clear that the Speaker can rule before the member has completed their point.

**Mr McMullan**—No standing order says that.
The SPEAKER—That is in the *House of Representatives Practice*.

Mr Latham—Mr Speaker, I rise on a point of order. The member for Fraser, along with other members, has been elected here to have his say and he is raising a point of order. You have not been able to cite a standing order which gives you the authority to cut him off mid-stream, and the member should be heard.

The SPEAKER—I have made it quite clear that I have been quoting the *House of Representatives Practice*. In fact, I have been quoting former Speaker McLeay.

Dr Nelson—I am asked about alternative policies. It is very well known that the Australian Labor Party is opposed to parents who send their children to non-government schools. I noticed yesterday a release from the Deputy Leader of the Opposition.

Ms Macklin—Mr Speaker, I rise on a point of order. This is also the subject of debate because it is part of our second reading amendment, which we are in the middle of debating.

The SPEAKER—Order! The minister has at no stage mentioned the bill.

Dr Nelson—I got a media release yesterday from the Deputy Leader of the Opposition, who is Labor’s education spokesperson, which is entitled ‘Caucus endorses Labor’s education policies’. So the caucus at a meeting endorsed Labor’s education policies.

Mr Beazley—Mr Speaker, I rise on a point of order on anticipation of debate. There have been several rulings on anticipation of debate, and they tend to permit the discussion of a bill in very limited circumstances. Previous Speakers have ruled that provision so tightly that, whilst it is possible to talk about a bill, it has to be within the context of the process of the bill—in other words, questions on when the bill might come on, when the government might bring back the bill or whether the government intends further amendment to the bill. Wide-ranging debate on the basic subject matter of the bill is not permitted, and that is what has occurred here.

The SPEAKER—The point of order relates to whether or not it is anticipation of discussion, and I have ruled the minister in order.

Mr Albanese—Mr Speaker, I rise on a point of order. I draw your attention to standing orders 77 and 100, which both refer to anticipation, and standing order 104, which says that ‘an answer must be relevant to the question’. The minister cannot possibly answer the question without anticipating the debate, so he has to breach standing order 104, 77 or 100.

Mr Melham—Mr Speaker, I rise on a point of order. I draw your attention to standing order 86(a), which says: A Member may raise a point of order with the Speaker at any time. After the question of order has been stated to the Speaker by the Member rising to the question of order, consideration and decision of every other question shall be suspended until the matter is disposed of by the Speaker giving a ruling thereon. The standing order is in plain English. The history of it is that members are entitled to state the question before you rule. You have twice cut them down.

The SPEAKER—You have raised the point of order.

Mr Melham—I have, and I seek a ruling on the words ‘after the question of order has been stated to the Speaker’. What is your interpretation of that?

The SPEAKER—I think the member for Banks is taking a point of order on the point of order, but I will rule again that the minister is in order.
Mr Albanese—With respect, Mr Speaker, you have not indicated how standing order 104 can be maintained and an answer be given that is relevant without breaching the anticipation rule.

The SPEAKER—I have ruled on the basis of *House of Representatives Practice*. The minister is in order. I call the Minister for Education, Science and Training.

Dr Nelson—So we have a release from the Labor Party that says that caucus endorses Labor’s education policies—which of course would be well known to the Australian community as meaning that, in the first instance, 160,000 Australian children in non-government schools would have their funding cut under a Labor Party government and that over a six-year period all non-government schools would join that list. I read the *Courier-Mail* this morning, and on page 2 I read:

A Caucus spokeswoman denied the decision meant Labor would again take a hit list of private schools to the next election.

I thought, ‘Hang on; they had a hit list of schools whose funding they were going to cut, and they have endorsed their policy, but they are not going to take the hit list to the next election.’ I read on:

But she admitted “there will be redistribution”—

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

Mr Downer interjecting—

Mrs Irwin—Just you wait, Alexander. Watch this space!

The SPEAKER—The member will either make a point of order or resume her seat.

Mrs Irwin—I am sorry, Mr Speaker. Standing order 100 reads:

(i) Questions must not anticipate discussion on an order of the day or other matter.

I ask you to bring the minister to order.

The SPEAKER—The minister is entirely in order.

Dr Nelson—Apparently the Labor Party’s caucus problem was not that they were going to cut the funding to parents who send their children to non-government schools, not the fact that the leadership was frothing at the mouth trying to punish parents; the problem was that they had put it in a list. So apparently the Labor Party now take their policy and confirm the policy—they will punish parents for sending their kids to non-government schools—but they remove the list. So the policy is the same. They redistribute; they cut funding from parents who send their kids to non-government schools, but apparently they are not going to put it in a list. I table the list for the benefit of the House. The Labor Party obviously continue a policy of punishment in relation to Australians.

Ms Gillard—Mr Speaker, I rise on a point of order. Obviously, there has been a series of issues about the minister’s answer but I will raise the last of them with you, which is that you ruled—controversially, from the point of view of the opposition—that you would not allow public documents to be tabled during question time. It happened with the Minister for Health and Ageing in his answer. There was some question in my mind about whether or not that was a public document, so I let it go. But there is no basis on which a political party statement released during the election campaign is not a public document. The minister cannot flout the standing orders each and every time.

The SPEAKER—The member will resume her seat. We are not here to debate this. The ruling was about tabling after a question had been answered; it had no reference to a minister tabling during an answer. I suggest you refer back to the *Hansard*. 

CHAMBER
Ms Gillard—Mr Speaker, on another point of order: can I ask whether the intent—

The SPEAKER—I suggest that if the member for Lalor has a question to the Speaker she leave it until after question time.

Ms Gillard—No, I have a point of order about your ruling, Mr Speaker. You have ruled about the tabling of documents after a question was answered—

The SPEAKER—I have ruled on that point.

Ms Gillard—The minister just answered a question and tabled the document at the end of the answer.

The SPEAKER—The member will resume her seat, and I will rule.

Ms Gillard—Mr Speaker, are you saying that your ruling does not apply to government ministers but applies to every other member of the House?

The SPEAKER—The member will resume her seat! I have answered that question, and if you read the ruling you will see that it is very clear: if a minister tables as part of his answer, then he is in order.

DISSENT FROM RULING

Ms GILLARD (Lalor—Manager of Opposition Business) (2.58 p.m.)—I move:

That the Speaker’s ruling be dissented from.

Mr Speaker, we are now faced with the grand absurdity, courtesy of your ruling, that you are maintaining the ability to make rulings which impact on one side of the House but not on the other. Your job, as outlined in the standing orders and as breached by this ruling—and why this ruling is inappropriate and must be dissented from—is to treat every member of the House equally and with respect and to allow them to do their jobs as members of the House of Representatives. Certainly, some members are members of the government, and some members are members of the opposition. Certainly, some people are ministers, and some people are not. But each of us here has an equal standing in representing our constituency, and it is not appropriate to have rulings that differentially impact upon the opposition.

Mr Speaker, your ruling, as I understand it, is basically this: if at any time a government minister, in the course of question time, wants to table any document that they think supports the government’s case, they are free and at liberty to do so; they can do it at any time. The Minister for Health and Ageing did it today. It was not a document that we had sighted, and he tabled it. No leave was sought or required; you just allowed it to be tabled.

The minister for education, in the grandest of absurdities, has just tabled part of a very public document—that is, the opposition’s education policy at the last election. Your ruling then was that you were going to prevent the tabling of documents at the end of answers—unless it was done by a government minister. That must have been the import of your ruling, because you allowed the minister for education to table a document at the end of an answer but indicated you would not allow documents to be tabled at the end of answers generally. So what you are saying, Mr Speaker, is that you would rule that a government minister, at any time—during an answer, at the end of an answer, at any time they want—can table a document. But if a member of the opposition seeks leave to have a public document tabled, you will ensure that that does not occur. So we have a complete double standard between what is expected of the government and what is expected of the opposition. It is a complete double standard.

Mr Speaker, when you commenced as Speaker in this parliament—and it was only several short sitting days ago, and I think it is
a tragedy that we are at this place already—you said that you wanted to lift standards in this place. I will take you to the things you said on the first day that you became Speaker. You said there was a new set of standing orders, and of course there is. You went on to say how you were going to help this House. You said you were going to apply these new standing orders and you thought they would be of assistance to the House. Then you went on to say the following about the attitude that you would bring as Speaker. I quote:

Today I will restate some points on questions and the importance of addressing all comments through the chair. The purpose of questions is to seek information and to hold the executive to account.

Precisely, Mr Speaker. That is the purpose of question time. You went on:

For example, questions should not suggest their own answer or contain scorn or derision. I would remind members that lengthy questions not only encourage long answers but make it much more difficult for the Speaker to rule on relevance.

And I take you to the following line, Mr Speaker, because I think it is very important to the matters that have been under consideration in this House today:

Questions will alternate and, in line with my immediate predecessors, I will not be allowing supplementary questions. I also do not feel it is appropriate that leave should be sought for the tabling of documents already available publicly. Accordingly, requests for leave will not be put to the House where a document is already on the public record—for example, a newspaper report or a *Hansard* extract.

Those are the standards you set for yourself.

Mr Tuckey—He’s stuck by them!

Honourable members interjecting—

The SPEAKER—Order! Members will allow the member for Lalor to be heard.

Ms GILLARD—Mr Speaker, if you would like me to resume my seat while you deal with the member for O’Connor, I will.

The SPEAKER—The member for Lalor has the call.

Ms GILLARD—In terms of the obligations in this place, there are really only two obligations that matter. One is the impartiality of the Speaker and the other is the consistency and perceived consistency of rulings. If we cannot have rulings that apply equally to every member of this House, then the House will always be in a state of disorder. It is inevitable if the perception, as opposition members walk in here every day, is that the standing orders mean nothing, that the obligation for impartiality will be waived and that opposition members will be treated differently from members on the other side of the House. The tragic effect of your ruling, Mr Speaker, is to put us in precisely that position.
There is only one honourable course here. You either rule and it applies to everyone or the ruling is withdrawn. We needed to move a dissent motion to make that point. You cannot rule in a way which means that government ministers get to do what they like when they like and the ability of a member of the opposition to seek leave for the tabling of a document is curtailed. That cannot be in accordance with your obligation for impartiality, and it is not even in accordance with what you said on your very first day.

It does not give the opposition any joy to be moving dissent motions during question time. That is not something we want to do. We want to be here holding the executive government to account, and that is the purpose of question time. But today we have seen, not only in relation to this matter but in relation to the answer of the minister for education more generally, an unsustainable practice about the way in which the standing orders are not being applied. The minister’s question was inevitably in anticipation of debate. If the minister wants to come in here and make a contribution on education funding, as a minister in the government he has got many opportunities to do so. We all know that. His key opportunity is, of course, when he brings a bill to this parliament, and he has brought a bill to this parliament—a bill about some $30 billion of school funding. If he wants to make a contribution on what he believes are fair funding patterns, then he can make that contribution on the bill. But we were in the middle of a debate. It was the debate that was adjourned to allow question time to be brought on. We ended up with the absurdity where apparently the minister can say whatever he likes about school funding and it will not be held to be in anticipation when the bill that has been adjourned is a $30-odd billion school funding bill. That was the first and incredible lapse of the application of the standing orders.

Mr Speaker, I know this would give you no joy, but you would have to say that it was raised with you by way of points of order on more than one occasion by a number of opposition members—by the member for Fraser, the member for Denison, the Deputy Manager of Opposition Business, the member for Brand and the Leader of the Opposition—and you did nothing to correct it: a clear breach of the standing orders. Also—and I have raised this matter with you, Mr Speaker—we had difficulties yesterday in relation to a clear breach of the standing orders about whether or not a document from which a minister is reading is confidential. It was another clear breach of the standing orders. If you go back to the relevant *Hansard*, it is crystal clear that that is a clear breach of the standing orders. Then there is the immediate ruling with which we are dealing, which on this occasion is another example of not only a problem with the standing orders but also your actually ruling in a way which would have a differential impact on members of this House.

Mr Speaker, this ruling cannot stand. I would be saying to government members opposite—and I am sure the Leader of the House will be responding to this dissent motion—that they need to be considering the obligations they have as parliamentarians to ensure that there is fair practice in this House. Mr Speaker, I put to you what is clearly the case with the way in which this House runs: this House runs well when people believe that they are going to get a fair go; it runs badly when people believe they are not going to get a fair go. Mr Speaker, in my many discussions with you or the discussions we have had since you have taken this office, I have indicated that from the opposition’s point of view we do not want to cause problems in the House of Representatives, we want to see the House run, but we do insist on getting a fair go. From a number of
incidents in the last few sitting days and most spectacularly from today, it has become apparent that in question time we are not getting a fair go. Your ruling today is the clearest example of that and that is why it needs to be dissented from.

Mr Speaker, I take you to page 163 of House of Representatives Practice. I think really this is where this debate starts and finishes. It says:

One of the hallmarks of good Speakership is the requirement for a high degree of impartiality in the execution of the duties of the office. This important characteristic of office has been developed over the last two centuries to a point where in the House of Commons the Speaker abandons all party loyalties and is required to be impartial on all party issues both inside and outside the House.

Mr Speaker, you would recall that that is a standard that the Labor Party has urged for Australia—that we have that degree of impartiality in our speakership. To go on with House of Representatives Practice, it says:

In concert with this requirement the principle has been well established that the Speaker continues in office until ceasing to be a Member of the House.

It continues:

Confidence in the impartiality of the Speaker is an indispensable condition of the successful working of procedure, and many conventions exist which have as their object not only to ensure the impartiality of the Speaker but also to ensure that his impartiality is generally recognized.

So we have here what in law we would refer to as not only the absence of actual bias but also the absence of apparent bias. It is important that each member of this House has faith that the Speaker is acting impartially.

Ms GILLARD—I am dissenting from a ruling that I believe does not meet the standard of impartiality. That is the essence of the case I am putting. I apologise, Mr Speaker, if there is some offence to you in that remark, but I do not have an alternative when faced with a ruling that differentially impacts on members of the opposition and that is not in keeping with the traditions of impartiality of the speakership of the House of Representatives. That is why I have dissented from this ruling and why this ruling cannot be allowed to stand—because it does not meet that benchmark of impartiality.

We all know that this place is designed basically so that the minority get to have a say and the government wins. That is the way this place is designed. That is the essence of the way in which our system of government works. The government has the numbers and it gets its way at the end of the day. The only protection that members of the opposition, members of the minor party and, indeed, the Independents who sit in this House have to ensure we get our say in the face of a majority government and, I may I say, in the face of a very cocky recently re-elected government, an arrogant government—

Mr Tuckey—Mr Speaker, I raise a point of order. You have already drawn the member’s attention to the fact that they are conducting a dissent motion—not a censure motion, which was their right.

The SPEAKER—The member is in order.

Ms GILLARD—Thank you, Mr Speaker. As I was saying, the only protection that members of the minority political party or, indeed, the Independents who sit in this House have is the fair application of the standing orders. That very difficult task falls to you, Mr Speaker, and we understand it is a difficult task. This is not a place for the frag-
ile; there is no doubt about that. It is a difficult task but it becomes a more—

An opposition member—Look out! Here comes Mr Tuckey!

The SPEAKER—Order! The member for Lalor has the call.

Ms GILLARD—Thank you, Mr Speaker. I was momentarily concerned for your wellbeing. I was silenced by my concern for your wellbeing, but I am now assured that you are physically safe in this place and I will continue, because whilst we have disagreed with your ruling, Mr Speaker, there are of course many things we would not see happen to you in this place. I think we are safe from them now.

The way in which standing orders are applied and rulings are made needs to be impartial, as between members in this place. Government ministers table documents; that happens, absolutely. The opposition seeks leave to table documents. We cannot have a circumstance where government ministers can do that as and when they see fit, for whatever document they want to table, without any of your rulings applying to that, when on this side you basically embargo our ability to even get leave to table documents. On that point, I say that this ruling fails to give due deference to the House overall as being master of its own destiny on what ought or ought not be tabled.

Mr Speaker, the ruling you have made is one that impacts on us but not on them. It is an unfair ruling—a ruling from which we dissent; a ruling that we do not believe should be allowed to stand; a ruling that we do not believe is in the tradition of this place as it should be, with the maximum amount of fairness distributed between members of this House, allowing each of them an equal standing—understanding, of course, that at the end of the day the majority political party or parties will be able to win the votes and ultimately get what they want. I conclude, Mr Speaker, by reminding you of the words you said, when you first started in the job, on the thing that you wanted to achieve in your speakership. I take you to your very own words:

... I remind members that it is my intention as Speaker to facilitate the smooth conduct of the business of the House. In my view, the general behaviour of members, and the subsequent public perception of the House, is in the hands of members themselves.

It is also, Mr Speaker, in your hands and rests on the impartiality of rulings made.

Mr ALBANESE (Grayndler) (3.17 p.m.)—Mr Speaker, I second the motion. It is with some regret that the opposition is moving dissent from your ruling just two weeks into your speakership. You would recall that the Leader of the Opposition and a number of other members on this side of the House welcomed your election. I personally wrote to you. I am aware that a number of other members did also. The Leader of the Opposition and I shared a common interest with you, in that you had been a successful chair of the House of Representatives Standing Committee on Economics, Finance and Public Administration, of which the Leader of the Opposition and I were longstanding members. So when you were successful in the process in your party room we had some hope that you would conduct yourself as you did as chair of that committee—in an impartial way, in a way which facilitated discussion and debate, and in a way which brought respect, not just of the members of the committee and of those people appearing before the committee but of the general public.

Mr Speaker, we are very disappointed. We have been patient. A number of my colleagues think we have been too patient and have suggested to the Manager of Opposition Business and me that we have been too patient and too kind. There are a number of
issues which we have taken up with you in private in order to give an opportunity for the impartiality provision on which your position depends to be carried out. But each day we have had a new issue in which the government has been treated differently from the opposition. You will recall that many people were surprised by your elevation to the speakership. There were two other candidates for that position who were seen to be the favourites, and there was a great deal of relief when you defeated the member for Mackellar in the final ballot. But now it becomes clear that, unlike the way in which you conducted yourself as chair of the House of Representatives standing committee, you have conducted yourself in a way which we believe breaches the impartiality which is the foundation of your position. That is why we are moving dissent here today, and that is what this dissent is about.

Mr Abbott—Mr Speaker, I rise on a point of order. I raise it reluctantly, as I can appreciate that members opposite are not feeling very good, but the fact is that this is a motion of dissent in your ruling; it is not a motion of censure. The kind of comments that the member for Grayndler is making now are not appropriate in a motion of dissent. He should confine himself strictly to the ruling you gave. Reflections on your character, impartiality or otherwise are completely out of order.

Mr ALBANESE—This motion is a dissent from your ruling, and the reason for it is that we assert it is not an impartial ruling. That is why we are moving dissent. To go to the specifics of the issue, we believe that there is an inconsistency there. You made a ruling on 17 November and stated the following:

I also do not feel it is appropriate that leave should be sought for the tabling of documents already available publicly. Accordingly, requests for leave will not be put to the House where a document is already on the public record—for example, a newspaper report...

Today in your ruling you suggested that it was inappropriate for a government minister, after they had concluded their answer, to table a document. That is exactly what occurred. The document that was tabled by the minister for education—who is a serial offender in creating problems for chairs, I might say, so there is some sympathy with your position—was the ALP election policy, which was available, released publicly and reported upon. The purpose of standing order 63, which discusses leave to speak, is to give the power over what occurs in this House to the members of this House. But your ruling creates two situations: one where the government can table whatever it likes and another where the opposition cannot even seek leave to assist debate to table a document.

Mr Crean—Untenable.

Mr ALBANESE—It is an untenable situation and we have raised it with you privately and now we raise it in this dissent motion. It follows, of course, other concerns that we had over the anticipation debate and your ruling there. Standing orders 77 and 100, when viewed together, clearly state that questions cannot anticipate debate before the House.

Mr Abbott—Mr Speaker, I raise a further point of order. This dissent is on your ruling in respect of tabling documents; it is not on your ruling in respect of the anticipation debate. Because of the very strict rules governing debates of this type, the member for Grayndler’s comments about other rulings are simply out of place and out of order.
The SPEAKER—The member for Grayndler will confine his remarks to the motion.

Mr ALBANESE—This dissent motion arose from a question asked of the minister for education. It arose after a series of points of order raised by the opposition about the anticipation debate—about the any-other-policies rule, which is a breach of standing order 98C; about standing order 104, which states that answers must be relevant to the question; and about standing order 86, raised by the member for Banks, about whether a member has a right to put a point of order to you in full before you rule on that point of order and sit them down. It arose in that context of point of order after point of order—standing orders 77, 100, 86, 98—most of them were mentioned during the time in which the minister for education was responding to that question. Yet not once in any of your dismissals of the points of order raised on this side did you quote a single standing order—not once, Mr Speaker.

It is not good enough to say, ‘It’s the vibe.’ It is not good enough, and that is why we are moving dissent here. We stand up and move points of order, quoting standing orders, and the response that we get is, ‘Oh, it’s just the vibe, sit down,’ before we have even had an opportunity to put the reason why the point of order is being moved. You, Mr Speaker, are very clearly aware of the goodwill that has been shown on this side. I spoke before about how there had been some people on this side of the House who were critical of the Manager of Opposition Business in the House and me for being too gentle and too conciliatory—‘why did you allow that to occur?’

The truth is that we came into this parliament trying to lift standards. That is why we once again raised the whole issue of electing an independent Speaker, so that we could avoid this situation of a partial debate. But we have had issue after issue raised. Yesterday, regarding the tabling of documents, the Leader of the Opposition asked the minister for education—the serial offender—to table a letter that he had read into Hansard from Yvonne Meyer. It was quite clearly a public document. That was the basis upon which the minister himself said that he had appointed Yvonne Meyer to a publicly funded committee. Yet you rule that it was a private document. You cannot have it both ways. And as to the serial offender, the minister for education, there was a reason why we wanted it tabled: the last time he quoted from a letter, purporting to be from a lady from Green Valley to the member for Werriwa, it was a fabrication. It was a fiction.

The SPEAKER—Order! I would remind the member that this is a dissent motion about the Speaker, not about a minister.

Mr ALBANESE—It is indeed, and it goes to the point of why the tabling of documents is important. It goes to the heart of the matter and why the opposition has a right to seek under standing order 63 the tabling of documents both by us and also by the government. It goes to the issue of impartiality.

Mr Speaker, I suggest to you that you should reflect on your ruling and reflect on your past practice of being a good chair of the Standing Committee on Economics, Finance and Public Administration, one who had the respect of both sides of the House, witnesses and the public, and give that level of respect to the speakership of the House of Representatives. As you said when you were elected to that high office, it is a great honour. We respect the position. And, frankly, Mr Speaker, I respect you personally. I think you are a good person.

But the opposition cannot be in a position whereby it has to tolerate a situation where
there is one rule for the government and one rule for the opposition. Question time is the time when we have an hour and a bit to hold the government accountable. Maybe there is a reason that the Prime Minister does not want to step down. He goes away and all the hubris and arrogance come out—in answer after answer yesterday and in the way that they behave across there and in the way they attack our people as we are trying to ask questions to solicit answers from the government. The proper functioning of this House and the proper functioning of government rely upon an effective opposition which has a right to hold the government to account.

Rulings are made about tabling of documents, about anticipation and about the reason that it is inappropriate to put a tag on the end of every question—‘and are there any other alternatives?’ There is a reason why that is bad practice. It is bad practice because it creates a situation which incites conflict and not proper debate. Most importantly, it is out of order under standing order 98(c). As much as the government would like to be responsible not only for their policy but also maybe for ours, they certainly are not. That is why standing order 98(c), properly enforced, would stop that practice.

Mr Speaker, all we ask for—indeed, all we demand—through this dissent motion is a bipartisan approach from you. In your ruling on the tabling of documents, we are not getting that. That is why we moved this dissent motion. That is why today is a line in the sand. That is why from this point on, we want a bipartisan approach. (Time expired)

Mr ABBOTT (Warringah—Leader of the House) (3.33 p.m.)—Mr Speaker, if I may say so, it is an iron law of opposition politics that the more depressed they are in the caucus the more disruptive they are in this chamber—and that is the reason for this dissent motion.

Ms Gillard—Mr Speaker, I rise on a point of order. It was in fact the Leader of the House himself who took several points of order about relevance. I am looking forward to his learned dissertation on the standing orders.

The SPEAKER—There is no point of order. The Leader of the House has just started.

Mr ABBOTT—Mr Speaker, I want to make it very clear to the House and certainly to members opposite that the problem today is not your ruling; the problem today is the policy which prompted the uproar in this House by members opposite. The problem is not your ruling.

Mr Melham—Mr Speaker, I rise on a point of order. The Leader of the House should know that this is a dissent motion and he is restricted to speaking to the dissent motion and should not be trying to goad the opposition by going wider. I would ask you to call him to order.

The SPEAKER—The Leader of the House has the call and he is responding to the motion.

Mr ABBOTT—Absolutely right, Mr Speaker. We have a dissent motion before this House, but the real problem with members opposite is not your ruling; it is the policy that they would rather not see raised in this House—the policy they do not want to see mentioned.

Ms Gillard—Mr Speaker, this debate is about dissent on your ruling about the tabling of documents. I would ask you to confine the minister to making his remarks about that ruling. He is psychoanalysing the opposition about what he thinks may or may not be in our minds.

The SPEAKER—The minister is responding to the motion.
Mr ABBOTT—Mr Speaker, on the motion, let me make this clear: what we have seen from the opposition on this motion is a simple failure to understand the traditional and time-honoured practices and standing orders of this House. For the member for Lalor’s benefit, let me quote page 573 of House of Representatives Practice, and I would ask the member for Lalor to listen:

Ministers therefore do not require leave to table documents—

Let me repeat that:

Ministers therefore do not require leave to table documents. Non-ministers require leave to table documents. You have made a ruling, perfectly appropriately, that documents that are sought to be tabled by leave cannot already be on the public record. Nothing that you have done today suggests that there has been any partiality, bias or anything improper at all in the way you have conducted yourself in this chair. What members opposite are seeking to do with this dissent motion is to upset the time-honoured traditions and practices of this House—

Having made that point, let me now turn to your statement when you first assumed the chair:

I also do not feel it is appropriate that leave should be sought for the tabling of documents already publicly available.

Mr Speaker, you were drawing a distinction between a tabling for which leave is not necessary—that is, a ministerial tabling—and a tabling for which leave is necessary. That is the distinction you were rightly drawing. The perfectly appropriate ruling that you made applies equally to members of the opposition, who are not ministers, and to members of the government who are not ministers. Any member of the government who sought leave to table a document that was already on the public record would rightly be refused leave under your appropriate ruling, which I have every confidence you would apply absolutely impartially.

Let me repeat: ministers do not require leave to table documents. Non-ministers require leave to table documents. You have made a ruling, perfectly appropriately, that documents that are sought to be tabled by leave cannot already be on the public record. Nothing that you have done today suggests that there has been any partiality, bias or anything improper at all in the way you have conducted yourself in this chair. What members opposite are seeking to do with this dissent motion is to upset the time-honoured traditions and practices of this House—

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That the question be put.

Question agreed to.

Question put:

That the motion (Ms Gillard’s) be agreed to.

The House divided. [3.45 p.m.]

(The Speaker—Mr David Hawker)

AYES

Adams, D.G.H. affirmative
Andren, P.J. affirmative
Beavis, A.R. affirmative
Browne, C. affirmative
Burke, T. affirmative
Corcoran, A.K. affirmative
Danby, M. affirmative
Elliot, J. affirmative
Ellis, K. affirmative
Ferguson, L.D.T. affirmative
Fitzgibbon, J.A. affirmative
Geoghegan, S. affirmative
Gibbons, S.W. affirmative
Grierson, S.J. affirmative
Hall, J.G. affirmative
Hoare, K.J. affirmative
Kerr, D.J.C. affirmative
Latham, M.W. affirmative
Livermore, K.F. affirmative
McClelland, R.B. affirmative
Melham, D. affirmative
O’Connor, B.P. affirmative
Owens, J. affirmative
Price, L.R.S. affirmative
Ripoll, B.F. affirmative
Rudd, K.M. affirmative
Smith, S.F. affirmative
Swan, W.M. affirmative
Thomson, K.J. affirmative
Wilkie, K. affirmative

Noes

Abbott, A.J. negative
Bailey, F.E. negative
Baker, M. negative
Barresi, P.A. negative
Bishop, B.K. negative
Broadbent, R. negative

Majority

AYES—60
Noes—81

Majority—21

* denotes teller

Question negatived.

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

DEPARTMENT OF PARLIAMENTARY SERVICES

Annual Report

The SPEAKER—Pursuant to section 65 of the Parliamentary Service Act 1999, I present the annual report of the Department of Parliamentary Services for 2003-04.

Ordered that the report be made a parliamentary paper.
Mr ABBOTT (Warringah—Leader of the House) (3.50 p.m.)—A document was presented as listed in the schedule circulated to honourable members. Details of the document will be recorded in the Votes and Proceedings and I move:

That the House take note of the following document:
Alcohol Education and Rehabilitation Foundation Ltd—Report for 2003-04

Debate (on motion by Ms Gillard) adjourned.

QUESTIONS TO THE SPEAKER

Eureka Stockade: 150th Anniversary

Ms KING (3.50 p.m.)—Mr Speaker, you would be aware that the President of the Senate yesterday agreed to a request by the Senate to fly the Eureka flag in the foyer of the Senate chamber. Is there any news you might like to share with the House about the flying of the flag in the House of Representatives foyer?

The SPEAKER—I thank the member for Ballarat for the question. As she is aware, I have written to her agreeing with the President of the Senate that, together with the Australian flag, the Eureka flag will be flown in the foyer at the entrance to the House of Representatives during daylight hours on 3 December 2004 for the 150th anniversary events of the Eureka Stockade. I am happy to table a copy of that letter.

Mr Latham—Mr Speaker, I thank you for that fine gesture. It is an appropriate thing to do. It is a very significant day in our national history. We on this side of the House commend your generosity, and we hope it is shared by the Prime Minister on Friday.

Ms King—Mr Speaker, I would also like to thank you, and I am sure the people of Ballarat will be very pleased with the decision.

Standing Order 86(a)

Mr MELHAM (3.52 p.m.)—You will recall that during question time I raised a point of order in relation to standing order 86(a) and quoted to you in particular that part of the standing order which reads ‘After the question of order has been stated to the Speaker’ seeking a ruling from you. I note that you did not rule at that time. I felt it was appropriate to wait until this point. I take you to the statement you made to the House on Wednesday, 17 November 2004 in which you rightly pointed out that the Standing Committee on Procedure’s objective was to make the standing orders clearer and more intelligible and that the revised standing orders are expressed with greater clarity and have a new structure and sequence. You went on to say this:

I remind honourable members that the standing orders are made by the House and the Speaker’s role is to apply them.

Standing order 86(a) is very precise where it says ‘After the question of order has been stated to the Speaker’. It gives members the right to put their case to you before a ruling is given. My concern is that you have intervened on points of order made by a number of members who have not been longwinded, who have not been in breach of the standing orders and who have not used unseemly words. The convention has been, providing a member is making valid points and is not being repetitive, to allow them to fully state their case to the Speaker before the Speaker sits them down.

I would ask if you could advise the House what your procedure will be in relation to both government members and non-government members in that regard, because I also note that in the past there have been differing practices for government members, who were allowed to fully state their case,
and opposition members, who were sat down halfway through their points of order.

The SPEAKER—I thank the honourable member for Banks for his question. The ruling that I have been applying on when to respond to a point of order is from *House of Representatives Practice*. I will read the point:

The Chair may rule on a point of order as soon as he or she feels in a position to do so.

Mr Melham—The standing orders have been revised. What I would submit to you with the greatest of respect is that they are very clear. In terms of the way the standing order reads, it does not allow a discretion. I understand you have a discretion in relation to other sections of the standing order, where you can do certain things. You are given the discretion, for instance, in relation to a supplementary question. It says that you may allow it. There is no discretion for you in the way this standing order now reads—providing the member is being reasonable; I am not arguing the case where a member is being unreasonable. Ordinarily members should be allowed to fully state their case.

The SPEAKER—I thank the member for Banks. I refer him back to my earlier answer. I would make the point again that, while I accept the spirit in which he is asking the question, there are occasions when people choose to debate a point of order. At that point, I think the chair is perfectly entitled to rule.

PERSONAL EXPLANATIONS

Mr MICHAEL FERGUSON (Bass) (3.55 p.m.)—Mr Speaker, I wish to make a personal explanation.

The SPEAKER—Does the honourable member claim to have been misrepresented?

Mr MICHAEL FERGUSON—Yes.

The SPEAKER—Please proceed.

Opposition members interjecting—

Mr MICHAEL FERGUSON—That is not very nice. This morning I spoke in the House in support of two bills, the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 and the States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004. In my speech, I strongly reprimanded the states, and particularly the Tasmanian government for failing to adequately fund Tasmanian public schools.

The SPEAKER—The member for Bass will come to where he has been misrepresented.

Mr MICHAEL FERGUSON—After my speech, the member for Gorton rose and claimed that, because I had not referred to Labor’s election policy on education, I therefore believe Labor’s education policy to be superior. Nothing could be further from the truth.

QUESTIONS TO THE SPEAKER

Standing Order 100(f)

Mr MURPHY (3.57 p.m.)—Mr Speaker, following the subject of the dissent motion this afternoon, I would like to ask you a question as to whether you could seek advice and report back to the House in relation to standing order 100(f), which reads:

Questions must not anticipate discussion on an order of the day or other matter.

The way that the points of order that were raised by the member for Lalor and the member for Grayndler were dealt with left us on this side at a loss. How could you just sit those members down and say that there was no point of order without any explanation or precedent of how the minister for education’s reply was not anticipating discussion on an order of the day or other matter when clearly the business of the House was so anticipated? I would be grateful, having respect for you personally and respect for your posi-
tion and in the knowledge that you have only been in the job for two weeks, if you could take some advice. This has come up in the past.

The SPEAKER—The member will not reflect on the chair.

Mr MURPHY—I certainly do not want to reflect on the chair or you personally, Mr Speaker. I think you need to get some advice and report back to the House because all of us on this side felt clearly that what the minister was saying was anticipating debate on a matter which was the business of the House.

The SPEAKER—In response to the member for Lowe, I will give consideration to his question and if I feel I have to report back I will.

MATTERS OF PUBLIC IMPORTANCE

Small Business

The SPEAKER—I have received a letter from the honourable member for Watson proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The failure of the Government to develop an adequate agenda for modern small businesses.

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

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

Mr BURKE (Watson) (3.59 p.m.)—In looking at the differences between the approach of the current government to small business and that of Labor, there is a key distinction. It comes down to two words: whether in your policies you back ‘fairness’ or whether in your policies you back ‘unfairness’. When you look at the Trade Practices Act, the approach from the government is to be slow in any of their responses and to keep the market out there as unfair as possible.

When it comes to the unnecessary paperwork imposed on small business by this government, the approach has been to be as unfair as possible concerning the needs of small business. For the one situation which the statute book already had defined as unfair—unfair dismissal—the approach of the government is to remove that to make sure that unfairness becomes legal.

The approach of the Labor Party on all three of these issues is to be fair—fair to small business in terms of the Trade Practices Act, fair to small business in terms of unnecessary paperwork and fair to small business in terms of the laws relating to dismissal. The government have had a complete inability to deal with predatory pricing—they have been slow to move on the issue of predatory pricing in section 46 of the Trade Practices Act. You could understand them being slow to move if it were simply a choice between big business and small business. If that were the only option open to the government, we would understand that they had backed big business and that that would be what they would do. But on predatory pricing it is not even that clear. On predatory pricing the choice is between small business and large, anticompetitive, predatory businesses. Even then the government find it hard to work out which side to back.

The Dawson report came out as far back as January 2003. Our response to the Dawson report is that we thought it was a bit soft. We thought there was a lot more that could be done in amending the Trade Practices Act. But even with a soft report and even with the responses that came back, the government still failed to turn those recommendations into legislation to be introduced into this House in the new session. Talk to stationery stores about the importance of the predatory pricing issues. I was at a stationery store in Adelaide last week. They told me that it costs them more to buy their products whole-
sale than at retail prices from their competitors. Talk to those stores. They want to know what capacity there will be to have that investigated by an active regulator—they want to know the extent to which that is going to happen. The position should be simple. Predatory pricing should be illegal and it should be clearly made illegal on the statute books.

To their credit, the government have made it clear that they want to introduce the notification system for collective bargaining. They want to move away from one of the two options floated—the first system, where you have to have an approval system—and instead go for a notification system, which obviously is a better way to allow collective bargaining among small businesses. That has been in place as a recommendation from Dawson since January 2003. In the Australian the current Minister for Small Business and Tourism referred specifically to this issue by saying: ‘I want to try to put these measures in as quickly as possible. I think the current Senate might be willing to run with it.’ If that is the case, where is the bill? The bill to do that was introduced in the last parliament. Here we are in the second week of this parliament, getting close to Christmas. Why hasn’t the bill been reintroduced?

I know I have not been in this parliament for long, but in the New South Wales parliament, with our archaic measures, we had this stuff called ‘legislation’. If you wanted to run with something, you would introduce it in the parliament. You would have a bit of paper—that was the legislation—and you would introduce it. It is not enough to run off to the newspapers and give story after story saying that you view this as an important issue, that you view the collective bargaining notification system as something that has to happen, when all that has to be done is that a bill that was already written by the previous minister has to be introduced in the parliament. This is actually the first reduction in paperwork that the government have provided for, and the bit of paperwork they decided not to provide was the bill. All they have to do is introduce it, but the only piece of paperwork that they are interested in is the media release they put out to claim that something is being done for small business, when in fact nothing is being done.

The burden of unnecessary paperwork is an issue for every small business you talk to. An issue that they talk about long before they get to industrial relations issues is that of paperwork and the paperwork attached to business activity statements. But the current minister has a new take on this. An article in the Sunday Age of 14 November 2004 says of the current minister:

She reckons concerns about the GST and the business activity statement appear to have evaporated.

You do not find small business saying that. There might be a minister who thinks the problems have evaporated, but you do not find shopkeepers saying the problems have evaporated. You do not find people running home businesses saying that the problems associated with the BAS have evaporated. Along with all the problems of paperwork that were introduced by the government when they started up the business activity statements, the next problem is about to hit, and it comes on 1 July next year with the deregulation of the superannuation retail market.

An employer, once again in South Australia, said to me that when he first started he thought he would try to do the right thing and give all of his staff a choice of whatever superannuation account they wanted. His words were: ‘It was the worst thing I ever did.’ It is not a case of saying, ‘You’ve only got to deal with nine different cheques.’ When you are using electronic payments,
every superannuation fund has a different method of automatic deduction. It drove him to do a whole lot of unnecessary paperwork. In response to that, what did he do? He sat down with his staff and over the last 12 months has finally got them all back to being in the one fund—only to find out that from 1 July next year he has to go through the whole process again. From 1 July next year we will find the government forcing every small business to tell all of their staff that they have the option of being in whatever fund they want. All the extra paperwork does not go to the government and it does not go to the superannuation funds; it goes back to the small business operators—they are the ones it goes back to. They get no help with it whatsoever—the whole burden of the paperwork is placed on them.

Paperwork is not just about the time taken by a small business operator. Time spent involved in extra paperwork is time you were meant to be spending growing your business. You actually have a straight business outcome from these extra burdens that this government is so willing to place on small firms. Not only do they have to tell their staff about this matter on 1 July next year but also every 12 months they have to tell them again. Even if their staff decide they all want to be in the one fund, every 12 months the small business operator has to go back to them and say: ‘Look, are you sure you do not want to make my paperwork a nightmare again? The government is guaranteeing that I have to give you that option.’

We also found a huge issue in the south-east corner of Queensland—it is the same when you hit the New South Wales border across the Tweed—with cross-border regulation. Those businesses being run close to state boundaries have a nightmare of paperwork with different systems across different states. I am looking forward to the statements that will follow to see some national leadership on doing something and providing some relief. It is not just duplication of paperwork—

*Fran Bailey interjecting—*

**Mr BURKE**—I was not in the state government of New South Wales and Queensland! The Minister for Small Business and Tourism has the national job. So you have a situation where, with cross-border regulation, there is a chance for national leadership. I am impressed that the response from the minister is to look at the shadow minister and say, ‘You take the lead.’ Sorry, but part of being the minister is that it is her job to take the lead.

If you listen to the government’s rhetoric about small business you would think there was one issue out there and one issue alone. The only issue you would think was out there was industrial relations and unfair dismissal. There is a very simple principle as a starting point: Labor does not support sacking people unfairly. As I have gone around speaking with small business operators, not a lot of them say to me, ‘Gee, Tony, can you make it so that I can sack my staff unfairly?’
The request is not out there. There is a legitimate problem for small business in that there is a higher pressure for them to pay ‘go-away’ money or reach some sort of financial settlement than there is for a larger business where a case has no merit. The reason for that is quite simple and obvious. If you are a big business you send your HR director out and they handle all of those issues. In a small business in many cases you have to shut down for the day to go through the processes of conciliation. The problem is not whether you can sack someone unfairly; the problem is the processes.

**Ms George**—We can fix those.

**Mr BURKE**—Yes. We can deal with the processes and do something about this. The problem is the ‘go-away’ money. You will
not find any small business organisation saying that the problem is that they want to sack someone unfairly. That is precisely what the government wants to make legal. What small businesses need is for ‘go-away’ money in cases with no merit to go away. That is something that can be looked at through the processes. We will be saying more about that following the introduction of the legislation.

One of the great problems with the arguments that have been run by the government is the false claim that the changes to unfair dismissal law will keep unlawful dismissal on the statute books. They will keep it on the statute books, but you will lose the capacity to make your case. The way you establish whether or not someone has been unlawfully dismissed in a discrimination case is to go to the reason given by the boss. If the reason does not stack up then you have your first hint that there has to be some other reason and you can find the discriminatory angles. Even though the government might say that unlawful dismissal still remains on the statute books, no employee will be able to make a case, because they will not have the capacity to do so. This will only be if the government do what they are intending to do with the new Senate following 1 July next year. Just wait a few months after that for the first pregnant woman to be dismissed. The government will say, ‘It is still illegal on the statute books,’ but there will be absolutely no way of making out her case. Just wait for the first person who is dismissed two weeks before they are due to qualify for long service leave. There will be nothing they can do. There will be no redress.

The ‘go-away’ money needs to go away, but a situation where unfairness is made legal is something that no government should have any pride in or be out there seeking. To then characterise that issue as though it were the biggest issue facing small business is completely inaccurate. What about the more than 800,000 home based businesses? What is in this unfair dismissal law for them? Does it mean that, all of a sudden, they can sack their spouse? For the 58 per cent of small businesses who employ no-one, does the unfair dismissal law mean that they will then be able to fire themselves unfairly with no chance of having to pay ‘go-away’ money?

In whole new areas of small business the big issues out there are not the industrial relations issues and certainly not the need to make unfairness legal. There is a need to do something about the processes. If the government wants to talk about that, we will get somewhere well before 1 July next year. We can make this prediction fairly easy: every time a small business between now and 1 July is put in the situation of using procedures that were designed for bigger business, not small business, the impost on the small business will be there for one reason and one reason only. It will be there because this government refused to negotiate, to look at keeping unfairness illegal and to have a situation where the procedures were made to work in a way that was far more practical for small business. The big issues out there are that small businesses want to be able to compete fairly and have a fair competitive market. We have reforms to the Trade Practices Act going back to January 2003. It is time for the government to do something about it. If they are not even willing to photocopy a bill that was introduced in the last parliament— *(Time expired)*

FRAN BAILEY (McEwen—Minister for Small Business and Tourism) *(4.14 p.m.)*— Could I start by congratulating the shadow minister for small business because, to the best of my recollection, this is the first time that we have actually had an MPI on small business. I would also like to offer him my commiserations as well as my congratulations. I do not really think I would like to be in his position, having to argue a case for
small business with the economic record that his side has in this place under the leadership of Mr Mark Latham. I really do not think I would like to be in his position at all, and I thank goodness that I am not.

Mr Tanner—Fifteen minutes to go, Fran.

FRAN BAILEY—The member for Watson said quite a bit about what is fair and what is unfair, and he claimed to have listened and talked to a number of small business people. I have had a number of experiences with small business and have rung small businesses myself, and I can say to the member opposite that the one thing that small business needs is a good solid, strong environment.

Mr Tanner—Sign the Kyoto protocol.

FRAN BAILEY—If it does not have that good strength in its economic environment—

Mr Tanner interjecting—

The DEPUTY SPEAKER (Hon. I.R. Causley)—The member for Melbourne is warned!

FRAN BAILEY—Thank you, Mr Deputy Speaker. If small business does not have that environment, it really cannot compete because the bottom line for small business is that it has to have a market for its goods and services, and it only has that market if it is functioning in a very strong economy. I recall the words of the Treasurer at question time today. He reminded us all of the economic record left by the opposition: a $10 billion deficit. Just last week, I was on the Gold Coast talking to a number of small businesses in my colleagues' electorates of Moncrieff and McPherson. Overwhelmingly, the one issue that these small business people wanted to remind me about was the 20.5 per cent interest rate during the time the Labor Party were in government. This is the issue they are frightened witless about—they really are. They know that the bottom line in their business depends on a good strong economy. I only have to look at my own electorate to know the difference—to see what this government has achieved for small business following the legacy of those opposite 8½ years ago.

Mr Tanner interjecting—

FRAN BAILEY—I can walk down the main street in any one of the towns in my electorate—

The DEPUTY SPEAKER—The member for Melbourne is testing the patience of the chair, and the chair will not tolerate it.

Mr Tanner interjecting—

The DEPUTY SPEAKER—The member for Melbourne will remove himself from the chamber, under standing order 94(a).

FRAN BAILEY—Mr Deputy Speaker, it is a shame the member for Melbourne is leaving, because he is going to miss the examples I want to give. On that legacy, what I found 8½ years ago when I walked down the streets of towns in my electorate was that anywhere I looked in every single street there were empty shops. If you walk down those same streets today, Mr Deputy Speaker, they all have small businesses along them and those small businesses are employing local people. The only reason they are doing so is that they are able to function in a very strong economic environment. Anyone who has been hands-on in business knows that that is the only environment they need to deliver on the bottom line of profitability. It is that bottom line which enables them to grow and to prosper.

I do not have to just rely on examples that I can remember from 8½ years ago, and I do not have to rely on examples from within my own electorate or from the small businesses that I have seen around the country. A number of business surveys have come out in the few weeks that I have been in this portfolio and every single one of those points to the confidence that small business has in the
future. The figures show how small business has grown, and of course those small businesses remember the million unemployed. Today, we have the lowest unemployment rates.

I want to share a quote with the shadow minister and I think it is worth while reading this. It is a quote from Steve Ryan, the chief economist of St George. Speaking about the September quarter survey data, he said:

... suggests small businesses are experiencing buoyant conditions across a number of key business metrics. While some measures eased, they generally remain at historically high levels and it appears the market is consolidating the strong gains of the past year. Notably, Sales, Selling Prices and Profits were extremely strong and this bodes well for small businesses which are also forecasting a strong December quarter. We believe this momentum, combined with a generally positive global and domestic economic outlook, should ensure continued strength within this market segment well into 2005.

That is the sort of environment and they are the sorts of results that this government's policies have achieved. I thought in fairness to the member opposite that I should look at the Labor Party's policies for small business. I do remember that they did not get all that much of a run during the election campaign, but they did get some. One of the first policies is that they intend to abolish AWA's. That will abolish the right of small businesses to a choice and flexibility. The second thing I noticed—and I have not seen any evidence to the contrary that this is going to be overturned—is that Labor would introduce a national payroll tax. Of course, the last time we had a federal payroll tax was 1971 and everything flows through. I just think that that is an absolutely no-brainer issue for the Labor Party to introduce.

They want to end casual employment. I know the member for Jagajaga is on the public record as saying that no job is better than a casual job. That is on the record and that no doubt reflects the Labor Party policy. You tell that to all of the people out there who are juggling work and family responsibilities and who choose to have casual employment. They choose that because it suits their style.

Let us get on to unfair dismissal. The shadow minister talked quite a bit in his speech about what Labor’s attitude is to unfair dismissal. I know from talking to small businesses for a number of years that this is one of the biggest problems that they face. The legislation which the Minister for Employment and Workplace Relations will reintroduce—I believe tomorrow, but certainly very soon—is going to be a real test for the shadow minister and his party because it goes to the essence of the matter. It is one thing to get up and say that you support small business, you want to do the best for small business and you want everything to be fair for small business, but the acid test will come when that legislation is reintroduced and we see whether you support it.

If you do not support that legislation, you are going to be sending the clearest message possible to all of the 1.2 million small businesses throughout the country that you do not support them. Not only that; you will be sending a very strong message to the over three million Australians who work in those small businesses. What small business wants is the flexibility and the certainty to be able to employ more people. I know that that does not exhaust the Labor Party’s plans for small business, but just those four points are probably enough to send a shiver down the spine of any hardworking small business person in this country.

I want to move to a point that the member opposite made: that it was very slow and there had not been much happening, especially in the area of reducing red tape for small business. I thought it would be a good idea to go through some of the measures that
this government have achieved. We have reduced the Australian Bureau of Statistics reporting load by more than 40 per cent. We have modernised the tax system by abolishing indirect taxes, as we know, such as the wholesale sales tax. The government have already started to move to provide greater flexibility for small operators, with AWAs—which the Labor Party is opposed to. We have reduced the number of forms related to company registration and reporting and the frequency with which they have to be lodged.

We have developed a range of online services aimed at improving access for small business. For example, the tax office’s business portal allows electronic lodgment of the BAS. We have encouraged more small businesses to take up e-commerce by providing a range of very practical guides and information tools. We have introduced mandatory 30-day payment terms for Australian government departments and agencies. Let me get it on the record that my own department has a very good record of just over 99 per cent for that 30-day period. We have established the Small Business Answers program—45 people going around the country, individually meeting with small business people and providing them directly with the information that they want, giving them the latest information.

Most importantly, something which I have already started to work on, and which was an election promise, is the $50 million regulation reduction incentive fund. Anyone who has ever been involved with small business knows that, whether a small business operator is starting up or expanding a business, the first level of government that they approach is local government. It has a range of different licences and planning permits. The list is almost endless. It is a deliberate choice for us to target local government and to provide that incentive. The first demonstration period of that $50 million fund will start very soon. That will be assessed and then it will be rolled out. The shadow minister did make quite a point about timeliness. Of course, we have to get it right. One of the things that the government do is to consult with small business. We do not come in and dictate the terms; we actually consult. I think that that is a very important point.

In relation to some of the other measures to reduce tax, we have already flagged the entrepreneurs’ 25 per cent tax deduction scheme, which the Treasurer will be introducing. In relation to the Trade Practices Act, probably one of the most important things that this government will do is to strengthen that act to enable small business to work much more easily with big business, through collective bargaining. I think there is probably not a member of this House who is not concerned about market share, where small business has some difficulties at times. There is no doubt that people are concerned about that. I think that the ability for small business to collectively bargain in dealing with big business is a major step forward. I notice a member opposite nodding his head, so I am sure that we are going to be able to depend on his support when that legislation is introduced.

In all seriousness, those opposite have an appalling record of setting up an abysmal economic climate in which small business has been forced to operate under untenable conditions. It really is going to take more than an MPI on developing agendas for small business for the opposition to have any credibility with small business. As I have said, the acid test for small business people will be your response when that unfair dismissal legislation is reintroduced into this parliament. *(Time expired)*
The DEPUTY SPEAKER (Hon. I.R. Causley)—Before I call the member for Swan, I would ask—

Ms George interjecting—

The DEPUTY SPEAKER—The member for Throsby! I am speaking. Before I call the member for Swan, I would ask the Minister for Small Business and Tourism to examine the Hansard record when it comes to her office. In the middle sections there was quite extensive use of the word ‘you’, which I think we are trying to get away from. The debate is better in the third person.

Mr WILKIE (Swan) (4.30 p.m.)—Firstly, I would like to congratulate the Minister for Small Business and Tourism on her appointment to the small business portfolio. I know she has a strong commitment to this vitally important sector. I wish her luck because, although she may be committed to small business, sadly, the government—despite its rhetoric—is not. The failure of the government to assist small business, whilst prattling on about how much it is doing for them, is staggering. This demonstrates that the government has in fact failed to develop an adequate agenda for modern small businesses and constantly refuses to listen to their concerns or implement practical solutions to their problems.

Take, for example, the government’s treatment of the recommendations of the parliament’s Joint Select Committee on the Retailing Sector, which reported in 1999. This committee was chaired by the member for Cook, the Hon. Bruce Baird, and included members of the Liberal, National and Democrat parties from the Senate and the House of Representatives. Overwhelmingly, the committee agreed to a raft of recommendations designed to protect small business from big business. Sadly, the government has only implemented one of these recommendations in full and another only to give the former any real ability to function properly—after the Labor Party announcement at the last election which looked at introducing a mandatory code of retail conduct. The committee report’s executive summary outlined why the implementation of the recommendations was so vitally important:

Over the past twenty years or so, Australia has seen the demise of hundreds of small grocery stores, butchers, bakers, florists, greengrocers, pharmacists, newsagents, liquor outlets and other small retailers as a direct result of the continuous expansion of major supermarket chains and major speciality retailers, often subsidiaries of the same conglomerate.

Thus, the market is heavily concentrated and oligopolistic in nature, where a small number of major chains (Woolworths, Coles and Franklins) each have a significant degree of economic influence or market power. This has placed significant pressures on small and independent retailers, leading to calls for legislative remedies to be imposed by government.

Not only is economic survival at stake, but so too the health and well-being of many small retailers, brought about by longer working hours and stressful dealings with the ‘big end of town’.

Retirement plans have been put on hold, family members have had to seek employment elsewhere, and lifetime commitments to grocery retailing have now come down to two options—to sell or to close.

In the area of market share, the report says:

The market share of the three major chains amounts to around 80 per cent of the dry/packaged goods market.

The committee went on to say:

Despite this consumer satisfaction—with regard to being able to get goods at different times—the Committee is concerned about the activities of the major chains with respect to small retailers. Some of the evidence brought to the Committee’s attention indicates that their behaviour is inconsistent with their public image of being good corporate citizens.
The committee suggested that the Trade Practices Act should be strengthened:
A significant body of evidence alleged instances of predatory pricing, where it was said that the major chains were prepared to lose money indefinitely in certain stores to wipe out the competition. The evidence was consistent and widespread, with the common complaint being that the difficulties lie in establishing predatory conduct under the current provisions of the Trade Practices Act.

Whilst the report said ‘there may be exceptions in some stores across Australia’, the committee found that these were indeed exceptions. It also said:

The Committee believes that the evidence clearly reveals a need to address the issue of predatory pricing …

One area that the committee looked at was the introduction of a retail industry ombudsman, saying:

The Committee believes that an appropriate dispute resolution mechanism should take the form of an independent Ombudsman, to be funded by government, who could attempt to resolve all sorts of complaints brought to it by businesses in the retailing sector.

The committee recommended that, with the introduction of an ombudsman—which the government, to their credit, actually introduced—so that he could operate properly, he would have as a back-up a mandatory code of conduct which would, the report says:

… regulate conduct in vertically integrated relationships throughout the supply chain. Being mandatory, the Code of Conduct would enable the courts to take into account provisions of the code in determining whether or not business conduct has been unlawful.

Sadly, the government failed to make any code mandatory, thus significantly disadvantaging small businesses and putting the burden back on them.

In 1995 the Labor Party introduced the Trade Practices (Better Business Conduct) Bill, which was to prevent harsh or oppressive conduct by retail landlords and franchisees and was to give the Australian Competition and Consumer Commission greater powers to stamp out such conduct. Let us be clear about the history of this legislation. The Liberal opposition at that point refused to pass the bill. The fair trading section of their small business policy, which was released prior to the election before last, said:

Complex black letter law, as proposed by a Labor Government, will stifle the dynamics of the small business sector and lead to greater uncertainty and cost. Therefore it is not seen as the most appropriate starting point to address current small business difficulties.

My gravest concern is that half the nation’s retail tenants could be out of business by the time we get unconscionable conduct legislation introduced into and passed by this parliament.

To highlight that concern, I would like to outline what happened in a series of distressing events at a local shopping centre which was called the Heart of the Park, in my electorate of Swan. Overseas investors purchased the Heart of the Park shopping centre in September 1994. It was owned by a company called Eastern Prosperity—prosperity for them, possibly, but certainly not for the tenants. At that time, there were 35 shops operating in the centre. To say that the investment group neglected the centre is an understatement. The centre had a series of incidents, including raw sewage flowing through the centre through flooded drains. The centre had major leaks whenever it rained, and I should note that these leaks were in the vicinity of power outlets and light fittings. The electrical malfunctions were a constant menace to both health and trade due to the poor quality of the electrical system. Tenants indicated that if one shop decided to plug in an extra appliance there was a good chance that the rest of the shops would be blacked out.
Whilst at the centre during a rainstorm, I witnessed water flowing through the light fittings and running down the walls of one of the shops—in fact, quite a few shops. Extractor fans in the ablution blocks were raining water, and unlocked doors to an empty shop showed gaping holes in the roof and floor.

The centre had received work orders from a variety of government departments and had failed to implement any of them. Life for tenants could certainly not be described as luxurious, and the same could have been said for customers. For example, potholes filled the car park. The investors promised four years ago that they would fix the problems, but what happened was that nearly all of the tenants went broke and had to withdraw from the complex. The centre ended up being sold to another investor, and only now, having seen all those tenants go broke, has anyone bothered building a new centre. The government failed to act; they failed completely in their obligation to look after people in this particular area.

With regard to compliance costs for small business, when the government were in opposition the Prime Minister made certain commitments in relation to red tape. On 30 January 1996, not long before the election, the now government said that they would be establishing a small business deregulation task force, which would have a specific brief from the Prime Minister to report within six months on ways to reduce small business red tape. In fact, they aimed to reduce it by 50 per cent. But did that occur? Not likely. Under this lot, the red tape and compliance have blossomed. The growing wealth of lawyers who are trying to deal with taxation legislation is quite amazing, but the compliance has been left to small business. I think that is absolutely appalling.

The government know this, because small business has been telling them this for years, but they just will not listen. For example, in my electorate of Swan I have had people who run car yards come to me, saying that they are constantly trying to deal with the burden of GST compliance. They cannot do it, the government will not listen to them and they would be pleased to have that addressed. Most of them are going broke. Many of them are working just because they would rather be at the office than stay at home. This is something that is absolutely disgraceful.

The Australian Industry Group recently produced a report on compliance costs, entitled *Compliance costs time and money*. In their executive summary they have said that, despite the concerns raised and the government’s commitment to reduce red tape:... the reduction of compliance costs was not a focus of the 1998 Tax Reform, Not a new tax, a new tax system (the ANTS document), which included recommendations to introduce a goods and services tax ... However, it was adopted as one of the aims of the Review of Business taxation (the so called Ralph Review).

Unfortunately, these recommendations were never implemented. The report went on to make a number of recommendations, and the executive summary concluded by saying:

In summary, the Report concludes that in order to safeguard future small business compliance cost reform from the casually ward, the way forward should involve both compliance cost reduction and targeted compensation based upon robust research.

In part, the conclusions on tax reform contained in the Ralph report noted:... in the end, tax design in a complex environment is as much art as it is science; judgement is often as important as fact and analysis.

The Australian Industry Group report went on:

The ‘judgement’ has not been exercised for small business. If tax compliance costs are an endemic systematic issue, what are needed are radical so-
This report shows what we have from the ANTS/Ralph implementation has not worked. As this report has sought to point out, even though tax compliance costs are an issue recognised by government, it has simply failed to reduce them. Overall, the consideration given to small business has been sadly lacking. (Time expired)

Mr HARTSUYKER (Cowper) (4.40 p.m.)—It gives me great pleasure to participate in the debate on this matter of public importance. I have noted during the life of this parliament that there have been an increasing number of questions from the Opposition which the Treasurer refers to as ‘Kylies’. It seems we have our first ‘Kylie’ in this matter of public importance, in that we should be so lucky that the ALP should be asking questions about small business, a subject with which they rarely concern themselves. One of the major problems the ALP have is that virtually no-one on the opposition benches has any small business experience. There is one: the member for Watson—a pleasing change, and we may see some pleasing improvements in their policy platform from the dregs that there were put forward to the last election. But virtually no-one on the opposition benches has run a small business; virtually no-one on the opposition benches has had to pay a wage cheque at the end of the week; virtually no-one on the opposition benches has had to pay workers comp, pay the bills, quote for a job and make it pay at the end of the day and create a profit to employ people.

Opposition members interjecting—

The DEPUTY SPEAKER (Mr Jenkins)—Order! The members on my left will cease interjecting.

Mr HARTSUYKER—Virtually no-one has done that, and that is reflected in their lack of support in the business community. It may have escaped your gaze that you lost the last election, and one of the reasons you lost the last election is that you had virtually no support from small—

The DEPUTY SPEAKER—The member will refer his remarks through the chair.

Mr HARTSUYKER—The ALP had virtually no support from the small business sector. To see that, one only has to look at the recent Sensis business index survey of some 1,800 small businesses, which gave the Howard-Anderson government a huge tick of approval. In fact, the recent survey provided a plus 13 per cent rating for the Howard-Anderson government. When Labor were in power they never even managed a positive rating on this index. We have a 13 per cent positive rating in that survey, while you were always running negative.

The government have good policies for small business because we understand small business. We understand the fact that the 1.2 million small businesses provide roughly 30 per cent of Australia’s GDP, employ 3.3 million Australians and produce 80 per cent of the jobs growth. We have a 13 per cent positive rating in that survey, while you were always running negative.

The government have good policies for small business because we understand small business. We understand the fact that the 1.2 million small businesses provide roughly 30 per cent of Australia’s GDP, employ 3.3 million Australians and produce 80 per cent of the jobs growth. We realise that, we nurture that and we support small business. We know that small business is the backbone of our economy. And what does the government do for small business? The government have created a strong economy, something that the previous Labor administration could not do. In contrast, they had deficits and high interest rates. Those on this side of the House know that 20-plus per cent interest rates for small business are unsustainable. Labor when last in power drove thousands of businesses to the wall, destroying people’s lives, destroying families. That was their legacy to small business—driving up interest rates, driving up inflation and driving up unemployment as a result. That was your legacy to small business, your legacy to our economy.

The government get very strong praise from the OECD. The economic management...
of the government is praised by the OECD, not ridiculed. The strong economy that we have built allows us to put in place the policy settings which support small business. We are not standing still on the issue of small business. We have introduced and announced a range of measures to assist small business, such as our announcement on the 25 per cent entrepreneurs tax discount for businesses with $50,000 turnover or less. We are supporting those microbusinesses because those of us on this side of the House know that virtually every corporation or large business started its life in some way, shape or form as a small business. We know that, we appreciate that and we put policies in place that support those businesses.

We have extended the simplified tax system so that businesses which have an accrual accounting base can participate in that system. We are working at reducing red tape for small business by providing access for 800,000 small businesses to one annual BAS. We have been doing a range of smaller things, such as reducing the number of forms required for company registration and reporting and exempting most small businesses from the Privacy Act requirements. We have also introduced a range of online services to help small business, and they are very much commended by those small businesses who use them.

We are committing a further $15 million a year from 2006-07 to the Small Business Assistance Program. This government assists small business; the ALP tends to hinder small business. We are building infrastructure through AusLink, providing better transport links so that businesses can get their product to market. We are providing improved telecommunications through increased broadband services in areas where small business needs it so that small business can compete with larger business and attract markets way outside their immediate geographical area.

We will be strengthening section 46 of the Trade Practices Act to ensure that small business is not treated unfairly. The minister also mentioned the $50 million incentive fund for local government to reduce their level of administration and red tape. This government is very focused in a range of other ways, such as through trade initiatives like free trade agreements, because it is not only large businesses but also small businesses that can trade and export. We have been focused on our FTAs with Singapore, Thailand and the US, and now the proposal is underway for the FTA with ASEAN.

Mr Gavan O’Connor—You don’t even know what’s in them. You’d sign up to anything; you’d sell your grandmother.

Mr HARTSUYKER—You cannot look past your nose. You do not see the fact that small business can export and be part of the world economy. Many businesses in my electorate and other electorates are doing that. I would also like to reflect for a moment on unfair dismissal. We hear you squawk and moan about unfair dismissal.

The DEPUTY SPEAKER—The honourable member will refer his remarks through the chair.

Mr HARTSUYKER—Thank you. The members opposite have been known to squawk and moan about issues in relation to unfair dismissal. I put the question to them: what incentive is there for a small business person to dismiss unfairly those employees who have the product knowledge, who know their customer base and who are working properly and building wealth within the business? The members opposite seem to want to support those who steal over supporting hardworking employees—to support those who do not care for the company over those who do. The test will come for them
tomorrow with regard to unfair dismissal. Are they going to talk the talk or walk the walk? We hear a lot of hot air and rhetoric; we do not see much action from the ALP when it comes to small business.

This government is absolutely focused on improving the lot of small business. The Labor Party only comes out with rhetoric and a lot of hot air. The restaurant and catering industry association says that on average an unfair dismissal claim costs around $3,600 and consumes about 63 hours of management time. But that would not concern the members opposite, because they want to support employees who steal, who do not want to do the job and who are not part of the corporate culture. They are not focused on the needs of small business.

Mr Burke—Mr Deputy Speaker, I raise a point of order. The reflection that members on this side want to support people who steal should be withdrawn.

The DEPUTY SPEAKER—I ask the honourable member for Cowper to withdraw.

Mr HARTSUYKER—I withdraw that statement. I would like to reflect for a moment on recent comments from Barry Cohen, who said:

... as the number of caucus members with small business experience is close to zilch, it is understandable.

What was understandable? Labor’s indifferent attitude to small business. I am pleased that Labor have raised this MPI today. I am pleased that an interest in small business has been awakened. They have a long way to go, but at least they are talking about it. Now that they are starting to talk about it, they might implement some policies to help small business. The contractors in my electorate want to see unfair dismissal legislation introduced as it is currently proposed. They want to see that they are able to put on new staff with confidence. I noticed in Labor’s discussion they talked about the small number of employees in a lot of businesses. That number should be able to be increased once employers can put on extra employees without fear of coming under the wrath of the unfair dismissal legislation and having to spend $3,600 and 63 hours of management time on fighting a case for a claim that has no merit.

This government is absolutely focused on the needs of small business. Labor have a lot of work to do. I am pleased they are talking about it, and, if they want a bit of an update on what small businesses need, the members on this side of the House will be very happy to lead the way. We have been leading the way for small business for many years now. Small business supported us at the last election; small business support us very strongly because they know we keep the economy strong and they know we support them. They know the coalition is the party of small business.

The DEPUTY SPEAKER—Order! The discussion is now concluded.

AGRICULTURE, FISHERIES AND FORESTRY LEGISLATION AMENDMENT BILL (No. 2) 2004

Report from Main Committee

Bill returned from Main Committee without amendment; appropriation message having been reported; certified copy of the bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Ms LEY (Farrer—Parliamentary Secretary (Children and Youth Affairs)) (4.51 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
SUPERANNUATION LEGISLATION AMENDMENT BILL 2004
Report from Main Committee
Bill returned from Main Committee without amendment, appropriation message having been reported; certified copy of the bill presented.
Ordered that this bill be considered immediately.
Bill agreed to.

Third Reading
Ms LEY (Farrer—Parliamentary Secretary (Children and Youth Affairs)) (4.52 p.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

CLASSIFICATION (PUBLICATIONS, FILMS AND COMPUTER GAMES) AMENDMENT BILL (No. 2) 2004
Report from Main Committee
Bill returned from Main Committee without amendment; certified copy of the bill presented.
Ordered that this bill be considered immediately.
Bill agreed to.

Third Reading
Ms LEY (Farrer—Parliamentary Secretary (Children and Youth Affairs)) (4.53 p.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

CUSTOMS AMENDMENT (THAILAND-AUSTRALIA FREE TRADE AGREEMENT IMPLEMENTATION) BILL 2004
Assent
Message from the Governor-General reported informing the House of assent to the bills.

COMMITTEES
Corporations and Financial Services Committee
Appointment
Message received from the Senate acquainting the House that the Senate had further considered message No. 4 of the House relating to the appointment of the Parliamentary Joint Committee on Corporations and Financial Services and concurs with the resolution of appointment.

Electoral Matters Committee
Appointment
Messages received from the Senate informing the House of a resolution agreed to by the Senate relating to a reference to the Joint Standing Committee on Electoral Matters. Copies of this message have been placed on the table. I do not intend to read the terms of it which will be recorded in the Votes and Proceedings.

SURVEILLANCE DEVICES BILL 2004
First Reading
Bill received from the Senate, and read a first time.
Ordered that the second reading be made an order of the day at the next sitting.

AVIATION SECURITY AMENDMENT BILL 2004
First Reading
Bill received from the Senate, and read a first time.
Ordered that the second reading be made an order of the day at the next sitting.
Referred to Main Committee

Mr Bartlett (Macquarie) (4.56 p.m.)—by leave—I move:

That the bill be referred to the Main Committee for further consideration.

Question agreed to.

Committees

Membership

Ms Ley (Farrer—Parliamentary Secretary (Children and Youth Affairs)) (4.57 p.m.)—by leave—I move:

That members be appointed as members of certain committees in accordance with the schedule which has been circulated to honourable members in the chamber. As the list is a lengthy one, I do not propose to read it to the House. Details will be recorded in the Votes and Proceedings.

Question agreed to.

Parliamentary Retiring Allowances Trust

Ms Ley (Farrer—Parliamentary Secretary (Children and Youth Affairs)) (4.58 p.m.)—by leave—I move:

That, in accordance with the provisions of the Parliamentary Contributory Superannuation Act 1948, Mr Price be appointed a trustee to serve on the Parliamentary Retiring Allowances Trust.

Question agreed to.

Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004

Cognate bill:

States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004

Second Reading

Debate resumed.

The Deputy Speaker (Mr Jenkins)—The original question was that this bill be now read a second time. To this the Deputy Leader of the Opposition has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The question now is that the words proposed to be omitted stand part of the question.

Mr Gavan O’Connor (Corio) (4.59 p.m.)—The Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 and the States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004 give effect to the funding allocations by the Howard government to government schools and non-government schools over the 2005-08 period. As speakers on this side of the House have already pointed out, this legislation perpetuates the fundamental inequities in the way this government funds schools in Australia. This legislation continues real increases for high-fee independent schools and only very small increases in recurrent funding above indexation levels for government schools and it proposes quite contentious conditions and accountability arrangements.

Yesterday in question time we witnessed the appalling arrogance of the Treasurer and other ministers in the wake of the election. In this education debate, as I have been following it over the course of today, we are seeing that arrogance once again rearing its ugly head. The simple fact remains, regardless of the election result, that the Howard government is persisting with policies that favour extremely well-resourced private schools at the expense of less well-off private non-government and government schools in both the primary and secondary sectors. That gross inequity will now continue through this legislation.

The government has a general mandate to pursue these policies, and I will not dispute
that. However, we on this side of the House also have a mandate to keep faith with the principles that we articulated at the election. Those principles won the support of over 47½ per cent of the Australian people and were restated today in the second reading amendment moved by the shadow minister, which I wholeheartedly support. In my electorate of Corio, those principles found majority support and it is my duty to restate them here today.

Labor have given a very clear and unequivocal commitment not to jeopardise school funding for the year 2005, so, to improve this legislation, we will be proposing second reading and substantive amendments, which we believe the government should pick up in the interests of the wider community. So that there is a continuous stream of funding for our schools in both the private and public sectors, we will not obstruct the final passage of these bills through the parliament, should those amendments be rejected.

In saying that, let me make it quite clear on the floor of this House that the above position ought not to be construed by anybody as an endorsement of the funding policies and priorities of the Howard government. During the election that has just passed I made my position on education funding quite clear to the people of the Geelong region, and it was my position that won considerable favour with most people in my electorate of Corio. The core principle that underpins Labor's policy in this area is simply priority funding based on educational and financial need. We passionately believe that all schoolchildren are entitled to a national standard of resources and quality educational outcomes regardless of the status of their parents, where they live, their religion or their ethnic background.

In pursuit of our goal, the policy recently endorsed by Labor’s caucus incorporates a national priority for needy government and private schools and a national agreement with states on funding policies for all schools. I am extremely proud of Labor’s commitment of $2.4 billion of extra funding over five years for needy government and non-government schools. That funding was $1.9 billion more than the Howard government’s investment in government schools. It was a commitment that we on this side of the House were very pleased about and very proud of, and we do not back away from it under any circumstances.

A centrepiece of that funding policy was our commitment to a 21st century resources standard, which would have raised recurrent resources funding for primary schools to $9,000 and for secondary schools to $12,000. In my electorate there were many, many schools that would have benefited considerably from that particular policy. The government schools include Anakie Primary School, Ashby Primary School, Barwon Valley School, Bell Park North Primary School, Chilwell Primary School, Clifton Springs Primary School, Corio Bay Secondary College, Corio Primary School, Corio South Primary School, Corio West Primary School, Drysdale Primary School, Flinders Peak Secondary College, Fyans Park Primary School, Geelong East Primary School, Geelong High School, Hamlyn Banks Primary School, Herne Hill Primary School, Lara Primary School, Lara Lake Primary School, Lara Secondary College, Leopold Primary School, Manifold Heights Primary School, Matthew Flinders Girls Secondary College, Moolap Primary School, Nelson Park School, Newcomb Park Primary School, Newcomb Secondary College, Newcomb Primary School, Norlane High School, Norlane West Primary School, North Geelong Secondary College, North Shore Primary...
School, Rollins Primary School, Rosewall Primary School, South Geelong Primary School, Tate Street Primary School, Western Heights College and Whittington Primary School. Those are the public schools that would have received significant increases in funding under the policy of a Latham Labor government if it had been elected. That funding would have been over and above what these schools currently receive from the federal government.

It is a matter of some disappointment to me that this government cannot concede that funding ought to be allocated on the principle of need. I have been in many of these schools and have seen the neglect they have suffered under years and years of Liberal state government rule and the gigantic task that the Bracks government has had to come to terms with to resource these schools to provide some equity of access to a decent education.

But not just the government schools would have benefited from Labor’s policy if we had been given the opportunity to implement it. In the Catholic systemic schools, the following would have received extra funding from a Labor government: Catholic Regional College; Clonard College; Sacred Heart College; St Joseph’s College; Christ the King School; Holy Family Primary School; Our Lady’s Primary School; St Anthony’s Primary School, Hamlyn Heights; St Anthony’s Primary School, Lara; St Francis Xavier Primary School; St Margaret’s Primary School; St Mary’s Primary School; St Patrick’s Primary School; St Robert’s Primary School; St Thomas Aquinas Primary School; Holy Spirit School and St Thomas Primary School. All those schools would have received extra funding—extra resources for their teaching task and to upgrade their teaching resources.

But it did not stop there. Funding increases for independent schools would have gone to the following: St Augustine’s Education Centre; St Helen’s School; Geelong Baptist College; Kardinia International College K-12; Geelong Rudolph Steiner School; Isik College, Geelong campus; Oxford Christian Primary School; Covenant College; St John’s Lutheran Primary School; and Christian College, Bellarine. For any one electorate that is an extraordinary list of schools that would have received significant increases in funding.

I am proud of the fact that we put that policy before the people of Corio—and they endorsed it, because I have been re-elected to this place yet again. We had made a decision to reduce funding to two schools. These schools would have received some base funding from the Commonwealth but, by and large, their particular funding allocation would have been reduced. Those schools were Geelong Grammar at Corio and Newtown and the Geelong College.

I had cause to speak to several parents after the announcement of Labor’s policy; several parents from these schools rang me up to seek further clarification of Labor policy. I took them through the principles on which we had structured and based our policy—and those principles have been articulated again today in this debate on the second reading amendment. When I articulated those principles to them, they understood. One parent said, ‘I’m not going to vote for you’—straight out. Several others were reserving their judgment but, if the conversation was any indication, they did appreciate the fact that I was prepared to spend the time to explain our policy position to them.

Several other parents said, ‘Yes, it may well affect us in a financial sense, but we can see the logic of it and we agree with the principles that underpin it.’ I really take my
That off to those parents because, in practice, for the schools that would have received the funding the policy would have meant great teachers and higher standards, good values and discipline, better buildings, up-to-date computers with Internet access, early literacy and numeracy intervention, more money and support for students with disabilities, a particular focus on the learning of Asian language and, of course, extensive support for Indigenous students.

That is what would have been the outcome if Labor had been elected. Regrettably, as I said before, the results of the election will not enable those funding increases to flow on this occasion.

But I do thank those teachers, parents and principals in the Corio electorate who expressed their strong support for the policies that I articulated at the last election.

There are elements of this legislation to which the opposition has advanced what it sees as constructive amendments to address real concerns about the implications of the legislation. One such concern is the operation of the impact of the Tutorial Credit Initiative, which is the $700 voucher to eligible children to purchase reading assistance from the marketplace. The shadow minister, in her response to this legislation, has detailed our concerns in that regard.

One of the great privileges of being a member of parliament—one that I am sure more seasoned members of this House already know and one that new members will come to appreciate—is to visit our primary schools and to witness first-hand how the task of educating our young is being carried out in our communities. It is one of the most uplifting experiences in the life of a member of parliament. In my own public life, I have always worked on the simple principle that nothing is too good for the sons and daughters of working people. That maxim applies especially to the education of our young. Therefore, I am always bitterly disappointed when I see a government like the one we have here at the moment—which has fed off the economic prosperity handed to it by 13 years of good Labor government—squandering $1 billion of our precious resources on a war that has brought untold misery to families in Iraq, particularly children, and which is at the same time leaving many of our own schools underresourced.

Be that as it may, it is always a source of great pleasure to visit primary schools in my electorate and witness the extraordinary work being done for our children in those schools. Two recent encounters confirmed for me the excellent work being done for our young students. One was a visit I made to the Little River Primary School. It is a semirural school with 102 students, five full-time teachers and a principal who also teaches. It has three specialist teachers who come in one day a week. They do all their teaching in portables. There are no classrooms. The administration is in a 125-year-old building. It has a garage as an art room. The community built that. The community also bought one of the portables. The Commonwealth government, in their generosity, gave them money for a flagpole. I am not going to deny the school that experience, but I do pay tribute to the principal, Karen Chaston, and Greg Riddle. I presented some flags at their assembly, and it was a wonderful occasion because I heard the oath that had been developed by the young students at the school. I would like to read this oath into the *Hansard*, because I think it really sums up the goodness that is in our public schools today. It states:

We the students of Little River believe that we should treat each other with respect, be friendly to one another, help others when we can and be tolerant of children who are different.

Noble sentiments are identified and expressed by the children of Little River in that
oath: respect, friendliness, help for others and tolerance. It is probably something that adults in the wider community could adopt.

The second instance occurred last week, when I attended the final farewell concert of Holy Family Primary School on Separation Street in the north of my electorate. They held an end of year concert at The Arena in Geelong. It was an excellent choice of venue to stage the concert, which was extremely well attended by parents, relatives and friends. My congratulations go out to the students and staff for the excellent production and particularly to the students for their excellent performances. While I might have had some broader reservations about the choice of American movies as the theme and about our young performing in American accents, no-one could doubt the energy, effort and talent in the performances. Such a production is a huge undertaking to organise at a time when school is still in, especially as it involved, as far as I could ascertain, every student in the middle and senior areas. The professionalism of the staff and their deep care for the students was evident to onlookers, and they are to be commended for it.

There were two quite unforgettable moments for me at the concert. The first was the staff item, which unearthed the hidden talents of many staff members, much to the delight of the students, and the scintillating performance of Ms Dorothy Siketa. I happen to know Dorothy quite well, and I can assure the parent body and the general public that Dot has not lost the plot. Those who attended will understand the theme of the item by the teachers, in which Ms Siketa featured so prominently, and will know what I mean. The second was the grand finale, when all the students who performed occupied the stage for their farewell item. It was visually splendid and emotionally uplifting, and it confirmed to all that Holy Family Primary School is indeed a happy family as well as a holy one.

In both of these primary schools—one public, one private—the immense dedication of the teachers, the happiness of the students and the interest of parents and others in the children was on display for all to see. So to all the students, teachers, parents and friends of Little River Primary School and Holy Family Primary School: take a bow and accept my best wishes for 2005 from the floor of this House.

Mr BOWEN (Prospect) (5.19 p.m.)—I am pleased to be able to speak on the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 and second the amendment moved earlier today by the honourable Deputy Leader of the Opposition. I would have thought that Labor’s amendments were pretty hard to argue against. They support high-quality public education as a national priority and recognise the entitlement of all students in public and non-government schools to minimum national standards. I would have thought in this country at this time you would get almost unanimous support for a proposition like that, but sadly I suspect that that will not be the case in this House and that Labor’s amendments will be defeated. The premise of our amendments is the same as the premise of our election policy, which the honourable member for Corio just talked about in his contribution, and that premise is that funding should be based on need.

In moving this amendment, the Deputy Leader of the Opposition referred to Fairvale High School as an indicator of the unfairness of the current funding regime. Fairvale High School is in my electorate, and it is a very good school. The principal,
Jeff Bromage, is a good leader and runs a good ship. But it is also a needy school, and it deals with children from a diverse range of socioeconomic and cultural backgrounds, many of whom have special needs, and that generates special requirements on their funding. It is also a school in need of extra resources. I attended the school to present some sports awards. As it happened, that ceremony occurred at lunchtime, and the only building that the school had that was appropriate to present awards in was the library. In order to have that ceremony the library had to be shut, so students who wished to study at lunchtime could not get into the library to do their work. So we see a school doing a good job, working hard and getting good results, with a good bunch of dedicated teachers dealing with things like that, but, not having a hall or room appropriate for the presentation of a small number of awards, the children are not always able to study at lunchtime. What was the increase in federal funding for this school over the last four years? It was 20 per cent.

This school is usually compared to the King’s School in Parramatta. This is a good school too. I do not have first-hand knowledge of this school, but I am confident that they get good results and that they have high standards, dedicated teachers and good programs—I have absolutely no doubt about that. But what they do not have is need. I am sure if they had some awards to present they would not need to close down their library at lunchtime to allow those awards to be presented. We have heard lots about them having 20 playing fields, a museum, a full-time curator for that museum et cetera. I say, ‘Good luck to them. Well done.’ They are no doubt a very good school. But that does not justify a substantial increase in federal funding.

And what was the increase for the King’s School over the last four years? It was 215 per cent. That is 215 per cent for a school that nobody would class as needy. I am sure the school itself would not class itself as needy; that would be the last way that it would characterise itself. However, it gets an increase of 215 per cent and Fairvale High School, which I think would acknowledge itself as having special needs, gets an increase of 20 per cent.

I would like to share with the House another example of a good school in my electorate which could also be classified as needing more resources; Westfields Sports High School. Westfields Sports High School achieves remarkable results, not just in sport but across the board. They had five graduates of the school in the Australian Olympic team in Athens, which is a remarkable result in itself. But, not only that, their culture of success and achievement has rubbed off on the academic side of the school and they get excellent HSC results. Westfields was built in the 1960s and its buildings are now 40 years old and starting to need replacement. It is of a similar vintage to Fairvale High School and to several other schools in my electorate and throughout Sydney.

The New South Wales government has provided funds for new buildings, but Westfields has had to raise more money for those buildings through fundraising dinners and other activities. I attended a fundraiser at Westfields again last week, raising money to supplement a state grant for new buildings. Westfields is a school which helps itself—it raises an enormous amount of money for itself and it achieves good results—but on any objective basis Westfields and other schools like it deserve more federal funding. Labor’s amendments would give it more federal funding. Labor’s policy going into the election would have given it more federal funding, but the funding regime in the bills before the House, sadly, sells short Westfields, Fairvale and other schools like it, in-
cluding St Johns Park High School in my electorate, which I attended.

It is not just public schools that deserve better. Needy non-government schools also deserve better. The member for Corio read out a long list of schools in his electorate which would have benefited from Labor’s policy. I am not going to do that, but there are schools, like Patrician Brothers College in Fairfield and St Paul’s Catholic College in Greystanes, which on any objective basis deserve a bigger increase in funding than the King’s School and other schools which receive such massive increases under this funding regime.

In question time today, the honourable minister for education made a remark which I, frankly, found absolutely astounding, and I cannot let this opportunity go without commenting on it. He said, ‘The Labor Party does not believe in giving parents the right to choose which schools to send their children to.’ I actually could not believe he said that, and then he said it again. I thought my ears must have been deceiving me. I have not been here very long—I am only a new person in this place—and you will be unsurprised to hear that that was the most outrageous thing I have heard in this place so far. But I actually have a feeling that it will hold the record for a while. I think it will be a little while before I hear something more outrageous, because Labor’s amendments, moved by the Deputy Leader of the Opposition and seconded by me today, specifically say that we call on this House to provide:

... recognition of the right of parents to choose the type of schooling for their children and to public funding for that schooling based on need ...

It is there in black and white in the amendment and the minister for education, in what I regard as not only a highly inaccurate but also a highly offensive way, characterised our policy as not giving parents choice about the schools that their children should be able to attend. That is just clearly incorrect. But more than that: the Howard government has frozen funding growth for more than 60 per cent of Catholic schools, allowing them no security about their financial future. So not only does our policy allow for parents to choose which schools to send their children to but the government’s policy lets down Catholic schools.

Any simple economic analysis shows how flawed the government’s approach is. Any first-year economics student could tell you about marginal return. The marginal return on an investment in a school that is already relatively well resourced is low in terms of educational output. If you have a school that is wealthy, already has plenty of resources, plenty of sporting facilities and good teachers, and you put more money into that school, the marginal return for your investment is going to be quite low. If, on the other hand, you take a school that is needy, does not have a hall, only has a small library and does not have appropriate teaching facilities, and you invest the money in that school, you are going to get a much higher marginal return—or, to put it another way, a much bigger bang for your buck, because the children in that school will receive a much bigger benefit. So the taxpayers are being let down by this government and this government’s policies. The taxpayers are not getting an appropriate return for their investment in education.

The regime established by this government and continued under these bills for determining the funding arrangements for schools is the socioeconomic status index—the SES index. This is a fundamentally flawed index. It replaces the Education Resources Index, which was much more based on the needs of the school and the capacity of the school to reach educational standards. I put this to the House: any regime which
produces an outcome where the King’s School has more needy students than Fairvale High School in my electorate. I would invite anybody who wants to mount that argument to come to Fairvale High School and meet the students and teachers and see the work that goes on and argue the proposition that the King’s School is in need of more funding than Fairvale High School based on the socio-economic status of its students. I would invite them to mount those arguments with a straight face, because they could not.

Let me turn briefly to the reporting of school performance and the devolution of staffing responsibilities to principals and schools. I recognise that there is scope for measures to be implemented in this regard. Labor’s proposals go to providing a more viable framework to allow that to happen. We agree with the government that there needs to be plain English reporting. We would all agree with that. I think that is sensible. But we say that parents, not just teachers, should be given the opportunity to contribute to the design of school reports. Let us give parents a say. Let us empower the community. Let us give parents some ownership of their children’s education.

We also propose to introduce a statewide framework to ensure that difficult-to-staff schools can still attract teachers. Many of these schools are in disadvantaged areas, rural and regional areas or in outlying suburbs of the capital cities. Almost by definition, they need dedicated and innovative teachers to ensure that they can achieve the best possible educational outcomes.

I would also like to deal with the States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004, which is one of the cognate bills in this debate. This bill deals with the Tutorial Credit Initiative. It can be argued that this is a worthy initiative. While we may say there are better ways to do it, anything which gives money to students who are not reaching educational standards money to allow them to get extra private tuition is certainly better than nothing. The Minister for Education, Science and Training announced in May this year that this grant would apply in New South Wales to some 7,330 students who did not meet the year 3 benchmarks. In fairness to him, he said that this would apply only if the New South Wales government signed up for the program and posted the results of the test to parents in the school. At that stage the New South Wales government did not have that policy. Later on the minister announced that New South Wales would miss out on the money because it had not complied. The only problem was that he was wrong: New South Wales had done that one month before.

Ms Hall—Playing politics.

Mr BOWEN—He was caught out playing politics, as my colleague says. The result is that not one cent has been paid to a student in New South Wales—not in my electorate or in any other electorate in New South Wales. And only now, today, are we debating the bill which will allow that to happen. Term 3 has come and gone, term 4 has almost gone and it will not be until next year that any of this money is paid to students to help them. We all know that, when you are a student struggling to keep up in class and to keep up with the curriculum, every day counts and another day falling behind is another day towards big trouble for your future education. So I am quite disappointed that we are only debating this bill today, when the government had initially said that it would be in place much
earlier—and it got it wrong with the biggest state in Australia and simply did not know that New South Wales had already agreed to the conditions of the funding.

In conclusion, the Labor Party will support this legislation, not with any great sense of happiness. We will support it only because there are many schools relying on the funding. If this bill were not passed by the House, many non-government schools would simply not be able to operate past the first part of next year. As I said, an amendment has been moved by the Deputy Leader of the Opposition, and seconded by me, to make the government’s policy much fairer, to make the education funding arrangements much more transparent and to provide a bit more funding based on need, which is really the way that education funding in this nation should be conducted if we are to have a dignified and decent education policy.

Some people say that there is not much difference between Labor and Liberal anymore. I am sure members on both sides of the House have heard that. Here is evidence of a stark difference. On the one hand we have a government sticking to its funding policy, which has no credibility and which I find offensive and which sees hundreds of thousands of students going without the education funding for their schools that they deserve. On the other hand, we have those on this side of the House arguing vigorously and passionately—and we will continue to do so—that schools should be funded on the basis of need and need alone. Regardless of whether they are government or non-government, the needs of the school and the students should be the basis for that funding. I am very proud to be able to support Labor’s amendment and will continue to argue vigorously for the amendment.

Ms HALL (Shortland) (5.35 p.m.)—I congratulate you, Madam Deputy Speaker, on being appointed to the Speaker’s panel. I know that you will do a fine job. The Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 provides $33 billion in funding to government, Catholic and independent schools—quite a significant amount of money. Obviously this is a very important piece of legislation. While there are many aspects of this legislation that are obnoxious to members on this side of the House, we accept that the funding for 2005 would be threatened if this bill were not passed by the end of the year. This would disadvantage those schools that are already disadvantaged by the odious legislation.

The government’s commitment to a policy of elitism, a policy that advantages the wealthiest and most elite schools in Australia whilst disadvantaging the most disadvantaged schools in Australia, has been to the disadvantage of all Australian students and will disadvantage Australia well into the future. As the representative of the people of Shortland in this parliament, I think it is really important that I put before the House the break-up of the attendance of students in schools in the Shortland electorate. Eighty per cent of students attend government schools. Of the remaining 20 per cent, over 14 per cent attend Catholic schools and the remainder attend independent schools. These schools are far from the elite schools that have attracted a considerable amount of money under this government.

The thing that really concerns me about this piece of legislation is that it extends the inequities in funding that already exist and the inequities that this government is introducing. As a member representing an electorate whose students will not be advantaged in any way by the government’s current policy focus, I feel it is very important to put before this House my objections to this legislation. I will concentrate a little bit on some
of the inequities I see in this legislation. There are virtually no recurrent increases above indexation to government schools. You can see how abhorrent that is to the schools and the students within the electorate of Shortland, with 80 per cent of those students attending government schools. The measures in this legislation continue for another four years increases of 200 per cent or more to some of the best resourced independent schools in Australia. I, like all members on this side of the parliament, believe that parents should have choice, but they should have real choice. The parents of children who live in Windale, the most disadvantaged area in Australia—an area in my electorate that has been identified in many reports—could not envisage for one moment that they have the ability to make the choice to send their children to King’s School or any of the other elite schools, because they do not receive that much money in a year. I really feel that this legislation just continues that disadvantage.

There is also a lack of funding security beyond 2008 for the 60 per cent of Catholic systemic schools which have been categorised as ‘funding maintained’ to avoid the funding cuts that would have applied if Catholic schools had been funded at the level set for their socioeconomic scores. These are quite serious concerns for me. When I spoke on this legislation the last time it came before the House I outlined how disadvantaged schools in Shortland were and how advantaged they would be if they were funded in the same way as elite schools. At that time I highlighted what it would mean to a number of the schools if the Howard government gave them the same amount of federal funding that it lavished on private schools. I will touch on a couple of high schools within the electorate.

Gorokan Public School would receive $2,879,363.20 more in funding if it were funded at the same level as private schools are funded on average. Gorokan is not a wealthy area. A number of significantly disadvantaged children attend the school. This is an area that has been hit by this government’s funding formula. Hunter Sports High School is in an area of great disadvantage within the Shortland electorate. It is a selective sports high school but it is also the school that students from the most disadvantaged areas of the electorate feed into. If that school were funded in the same way as private schools are funded, it would receive an extra $2,207,978,000. I cannot see the fairness in this. I cannot see how the children who attend these schools are being given the same choices and advantages in life as the students who are the favourites of this government—those students who attend the more prestigious schools that attract a higher level of funding than public schools. I must pay credit to the dedicated teachers, the committed students and the parents that give support to all the students in these schools. Another very disadvantaged high school within the Shortland electorate is North Lakes High School. If it were funded in the same way it would be $2,637,083.20 better off. If they were funded in the same way, Swansea High School would be nearly $2 million better off., Toukley Public School would be nearly $2 million better off, and Whitebridge High School would be over $3 million better off.

What I am arguing for is a better deal for equity. I am not asking for these schools to be treated any differently to the way that elite schools with outstanding resources are treated. I cannot see the argument for giving more money to schools just because they have got more resources. I actually look at it from a different perspective. I think that if a school is needy then it is beholden on a government to ensure that that school receives more resources. The government takes quite
a different approach to that of the opposition. We understand that education and children are the future of this nation. There is nothing to be gained by treating one group of children differently to another group of children. All children should have the opportunity to succeed and all children should have a real choice. We believe in equity. We believe that equity could be achieved through putting in place national priorities for public schools, through ensuring that all children have an entitlement to a national standard of resources and results and through ensuring priority in funding against the principles of educational and financial needs. That is what I have been arguing for throughout my contribution to this debate. Funding should be based on educational and financial needs and there should be a national agreement with the states on funding policies for all schools. This is what I am committed to, and this is what we on this side of the House are committed to.

I am very supportive of the amendment moved by the shadow minister in which she condemned the government for its unfair schools funding policy. I think I have demonstrated how that unfair policy is affecting students who attend schools in the electorate I represent in this parliament. The amendment also states that there is a need to restore integrity and sustainability to Commonwealth funding of schools—I do not know how anyone could argue against that—emphasises the need to support high-quality education for all students attending all schools, recognises the entitlement of children and young people to national standards of educational results and resources that I highlighted earlier, and recognises the rights of parents to choose the type of schooling their children have. Once again, I emphasise that that has to be real choice, and that public funding has to be directed towards the needs of children who are attending schools. I believe a number of real issues have been overlooked in this legislation. It really worries me that so many students, and their parents, whom I represent in this parliament are going to be disadvantaged by this piece of legislation, and I do not think that is the way it should be. This legislation also includes an additional $1 billion for capital grants in government and non-government schools—that is, $700 million for government schools and $300 million for non-government schools. This is an interesting inclusion in the legislation. It is a real ‘Brendan Nelson special’, or, as the Australian Financial Review describes it, an act by a minister who likes to play the white knight to state schools that he perceives are in distress, particularly if they are in marginal seats.

This is something I would like to take up. I believe the minister made an announcement at Para Vista Primary School in the seat of Makin and Metella Road Public School in the seat of Greenway during the election campaign. It is interesting that in the lead-up to the election these public schools in marginal electorates were, and will be, beneficiaries of this new initiative. But it is good to see schools getting extra money. I certainly intend to ensure that all schools in the Shortland electorate are very aware of this. I find it interesting that the legislation will put in place a framework whereby in government schools P&Cs will be making applications to the government but in non-government schools this is not allowed. I think there needs to be an evenhandedness about the legislation.

For the record, I will mention some of the work we would like done at schools in the Shortland electorate. Floraville Public School would like a library technology space, a hall space and an admin area. Valentine Public School desperately needs a school hall and airconditioning. I note that airconditioning is one of the things that
seems to have the minister’s favour, so the school will certainly be putting in an application for those things. Swansea Public School needs an assembly hall. Gwandalan are looking at some sort of capital works to help them set up a school and communities program. They need an area where they can run that, and, of course, they need shade areas in the school. Lake Munmorah High School needs airconditioning. I believe that Gorokan High School need a refurbishment of their performing arts school and are in desperate need of a facility for performing arts. The Gorokan High School band is one of the finest bands in Australia. It has performed throughout the world and has received recognition at a number of competitions.

Charlestown East Public School needs a canteen upgrade. Whitebridge High School needs capital works for a security fence. Dudley Public School has some issues too—they also want a security fence. I will be encouraging Gateshead High School to put in an application for a security fence. As I mentioned earlier, Whitebridge High School is considerably underfunded. This school also needs a number of things: a security fence, asphalt and some carpet.

The schools within my electorate will be putting in for this funding. I will be watching very closely to see how the applications fare and to see that there is no preferential treatment. From the time those applications go in, I will be monitoring their progress.

The other issue I would quickly like to touch on is literacy tutorial assistance, announced by the minister in May 2004. My office has been contacted about this proposal. Seven months later, we are debating the legislation to put some teeth in the proposal and to deliver the $700 voucher the minister talked about. As I mentioned, a number of constituents have contacted me. One woman, whose child was experiencing extreme difficulty, contacted me. Her child failed the test not this year but the year before, so that would rule her out. I have had a series of people contact me and it seems to me as though it is going to be just a little bit too late for them.

There are some problems with the proposal. I question the amount of money that will be available to families. The fact is that 10 per cent of students fail the year 3 national reading benchmark. A quick mathematical analysis shows that each student would probably get about $420. There are problems with the operation and administration of the program and implications for current literacy programs. So there are some things that need to be worked through.

I strongly support the amendment that was moved by the shadow minister. This amendment dramatically improves the legislation. It is an amendment that will deliver fairer funding and improve educational quality. I strongly disagree with the government’s unfair schools funding system, a system that has given the biggest increase to wealthier schools and to those in least need. It has really disadvantaged the students in the area that I represent in this parliament. I do not think that that is in any way fair. But, as we have said, we on this side House will not do anything to jeopardise the funding to those schools, which would be the case if we delayed these bills.

Mr Hockey—Huh.

Ms Hall—I see that the minister may have a few concerns about the equity and fairness of the scheme. I think he was supporting my comments just a moment ago. Labor’s amendment is about the principles of fairness and equity in student funding. I support fairness and equity for all students.

Mr Hockey—I rise on a point of order, Madam Deputy Speaker. The honourable member has impugned me with her words. I
just want it noted that I do not accept her verbalisation of my comments.

Ms HALL—I support fairness and equity in education and I believe that the amendment moved by the shadow minister will deliver that. *(Time expired)*

Mr ANDREN *(Calare)* *(5.55 p.m.)*—Madam Deputy Speaker, I welcome you to the chair and hope for a long and prosperous relationship in this chamber. The *Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004* sets out the government’s specific purpose funding for non-government and government schools over the next four years. It deals with Commonwealth recurrent funding to non-government schools, in addition to some new capital funding measures for this quadrennium, as well as new measures for students with disabilities and special needs and students from rural areas. In this contribution, I will again be looking at what I believe to be the central problem with Commonwealth recurrent funding for non-government schools: the socioeconomic status model by which funding is allocated.

As I have said on many occasions in the past, the most important thing is that funding goes to where the need is greatest. This is not a matter of redirecting funds from one school to another in a discretionary matter; it is about correcting the formula that has resulted in the allocation of significant funds to schools that certainly do not deserve them ahead of others that certainly do. As I said previously, there needs to be not only the appearance but the reality of equity in our education funding.

I do not oppose the passage of this bill, not because it is totally fair but because the Department of Education, Science and Training is due to make its first payments to schools in January next year and this cannot happen without this bill’s passage. Also, the passage of the cognate bill, the *States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004*, which makes necessary technical adjustments to current funding allocations, is also contingent on the passage of the learning together bill. That being said, I have no reservation in continuing to speak out for a change to the flawed basis on which funds are allocated: the SES funding model.

I would, however, like to recognise some of the positive aspects of the learning together bill, especially in regard to the increase in capital funding for both non-government and government schools, including the honouring of the government’s election commitment to provide an extra $1 billion for infrastructure improvements, described in the Parliamentary Library’s *Bill’s Digest* as library resources, computer facilities, airconditioning and heating, playground shading and sports and play equipment.

In the recent by-election for Dubbo, airconditioning was brought up in relation to Parkes. I long remember Parkes High School. The debate about airconditioning has probably been going on for two decades. It is about the imaginary line drawn down the centre of the state, to the east of which you do not get airconditioning, to the west of which you do. Here we go again. We still have state governments debating the virtues of airconditioning in what by any standard is one hell of a hot town and school.

According to the *Bill’s Digest*, the guidelines for how these grants will work are yet to be established, and I look forward to their release next year. What we do know is that the Commonwealth will be bypassing the states in its delivery of this money. I do not have any problem with this—it has been done before by federal governments—as long as it is provided equitably, transparently and with strenuous accountability.
The bill’s provision of funding for non-government rural student hostels accommodating students from remote areas where appropriate schooling is not available is encouraging and will provide for some 1,000 students. These hostels also receive funding from state governments, as do hostels for rural government school students. Increases in the basic boarding allowance from almost $4,500 to $6,000 and in the distance education allowance, which is up to $3,000, are also very positive things. These allowances are provided under the Assistance for Isolated Children scheme. In general, the scheme provides this assistance for children who are unable to attend an appropriate government school on a daily basis due to geographic isolation.

The SES funding model has been the basis on which Commonwealth funds have been allocated to non-government schools since 2001. Until now, schools in the Catholic education system have been separate from this model, but with the passage of this bill they too will be included under the SES based scheme. According to the minister, this will see an increase in funding to Catholic schools of $368 million over the four years from 2005. Whilst this looks good on paper, I wonder if we will see the same bizarre allocations of Commonwealth funds to wealthy Catholic schools that we have seen with other independent schools under the SES model since it began.

The SES score allocated to a school is allegedly a measure of the capacity of the school community to support that school. The SES score incorporates postcode based income, education and occupational data and is arrived at by linking student residential addresses to census collection districts. A school’s average SES score determines the general recurrent funding per student as a percentage of the average government school’s recurrent costs. This may sound fair, but I argue it is not. Let me quote from an item on the AEU web site which has been repeated elsewhere, in other literature, which says:

Because the SES is based on the average income of the Census Collection District from which the students come, not the income of the actual parents of the schools, it gives distorted results. … the SES of a school is based on the income level of the neighbours of the students, not the families of the student themselves.

The SES model takes no account of the resources available to a school such as the fees it collects, bequests, investments and other private income. Because of this, schools with resources most can only dream of are given large grants by the Government.

This is not about envy and the rights of parents to choose; it is about equity. I believe there is an easy way of solving this problem: by indexing schools right across the board. A Sydney high school, say, could be high on the list by virtue of funding, above many independent schools. Base it on a fair index of need, not on what I regard as the flawed SES formula we have at the moment.

In submissions to the government since the SES scheme was introduced, I have pointed out that the scheme lacks several crucial measures of equity. The SES score of a school does not necessarily reflect student status, as that earlier excerpt showed. The distortion that is possible when a child from a very well off family from the CCD of Bourke or elsewhere in rural Australia is measured against the SES for that district is obvious. The anomaly turns up in boarding schools, where students are more likely to be drawn from areas where extremes of wealth and poverty are likely to coexist.

As we have seen since 2001 and the introduction of the SES, this anomaly is illustrated by the fact that some of the biggest winners are the bigger boarding schools. I
believe such funding is unwarranted and frees up the fundraising capacity of such schools, and so the gap between the haves and have-nots of education widens. I have made this point many times in the debate and I will continue to do so until I get a convincing counterargument that dismisses my concerns.

The SES formula may be an improvement on what we had before, but it is not good enough. I recommended back in 2000 that the Youth Allowance test be applied to all independent school students as a basic test of funding equity. I would like the Minister for Education, Science and Training, who has just entered the chamber, to explain why this formula—the Youth Allowance test—cannot be utilised to more effectively allocate funding. I do not care if it is applied to all students, public and independent, right across the board, in order to achieve a fair funding index for all schools.

The government argues that it is too difficult or too intrusive to ask parents for information about their occupation and income. We do it in areas such as the Medicare safety net, family payments and every other area of Centrelink expenditure. It is ridiculous to suggest we cannot achieve it in relation to education payments. This information and indexing would ensure not only the perception of fairness but, I believe, the reality of fairness in our funding of the system.

Certainly, the government’s decision to include a ‘no losers’ aspect to the 2005-08 quadrennium under which schools whose SES score in 2005 determines they receive less funding than they did in 2004 will have their allocation maintained at the 2004 level. Again, I question whether this is an entirely fair approach to the allocation of finite resources. If the government is confident the SES score is the most equitable way to allocate schools funding, why should any one school’s funding be maintained at a level higher that what is determined by its SES score, transitional or otherwise?

This bill’s provision of performance framework measures is an area that has attracted media attention. Much of this has been focused on flags and flagpoles and a charter of values to hang on the wall. Certainly, I question the effectiveness of such symbolic attempts to instil in students civic values and citizenship. It would perhaps be of far more value to involve the members more in visits to schools to explain the processes, to talk about being an Australian in an Australian democracy and debate with the kids the issues they want to raise with us. I take great pride, and I know we all do, in talking to the kids when they come here. I make a point, and I suppose others do too, of handing out the certificates back at the school—not here, but going to the school and asking, ‘What did you see? What questions have you got?’ and then, at the end of that process, giving them their symbolic representation of their exchange with the parliament. That has far more value than insisting on saluting the flag and things like that.

To talk about making values a core part of schooling begs the question of whose values we are to encourage and how they will be determined. I will certainly not support measures that see increased sectarianism between and within our schools, and that appears to be a consequence of an education policy that is allowing the spread of schools because of the choice mantra and is creating a plethora of schools that are going to expect, quite rightly according to the processes we have in place, finite dollars based on a narrower and narrower basis of teaching. I know we have the curriculum in place, but it does concern me that we are not being inclusive enough in our education. The problem has been there, perhaps, since the 1800s, when the church schools were established in this
country. You cannot say, ‘Well, the Catholic sector and the Anglicans can continue, but the Hindus and the Muslims cannot set up a school,’ or whatever, but it does concern me that we are dividing up the school population into smaller and smaller units. While choice may sound like a wonderful concept, I think we should pause to wonder how inclusive our education system should be, if we are talking about Australian values. The minister looks puzzled.

Mr Hockey—I’m puzzled. I don’t know what you’re trying to say.

Mr ANDREN—I am suggesting that we are divvying up our school population into smaller and smaller school units, each with a narrower base of education and training. I see danger signals in a process such as that. We seem to be taking resources away from the public system to spread over a growing independent school sector, and I think there are danger signs there of diminished funds being available for all schools because of the growth of those independent schools.

I would rather see more resources directed to other measures in the performance framework, such as teacher development leading to better qualified and equipped teachers. I do think the practical measures in the framework—such as greater consistency in curriculum and testing standards, improved literacy and numeracy, standard plain English reporting and creating safer schools—are all very worth while. A more practical approach in schools funding all around, especially in addressing real need where it occurs through a revised funding model, would greatly improve outcomes for all schools.

Let us look at a model like aged care funding, where the government has made significant improvements based on capacity to pay and where a necessary three-star standard has been established across the board. Madam Deputy Speaker Bishop, you had a role in that process. It has been a significant improvement by this government, and it has raised the standards and set standards of performance, facilities, safety and so on. I think in there is perhaps a model where those wanting, and prepared to pay more for, a four- or five-star service can do so. Surely that is the choice that we are offering in the independent or private school sector, but we must guarantee a basic standard of educational opportunity to every child in this country, whether they are at Yeoval Central School, Clergate school north of Orange—where I was the other day—or St Edwards at Canowindra. We do not have it at the moment, and a distorted funding formula not based on true need exacerbates the differences in access to quality education, which is a birthright whether you live in Kandos and attend Kandos High School or in Killara and attend Ku-ring-gai High School or Knox, up the road.

While I do not normally vote on second reading amendments, I am compelled in this case to recognise the validity of the opposition’s statement in their second reading amendment. I am very pleased to see some detailed amendments to this legislation. Perhaps this may be one of the positive outcomes of the parliamentary process we will have after June next year. Perhaps finally we might have the House of Representatives initiating amendments to bills in this chamber and having proper debate around those amendments, rather than deferring it to the other place, which has become the de facto legislative chamber of this parliament to the point where this House runs the risk of becoming an irrelevant backwater in one of the so-called greatest democracies on earth.

I will examine the arguments around the proposed amendments, particularly 31A in proposed section (7) of the amendment. I commend the part which says:
... reporting by schools on students’ learning must include a comprehensive range of information of related factors that includes:

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

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

and the other points that are included there. This, I suggest, indicates a true socio-economic status approach to education, where all factors are taken into account within a school with regard to both the individual and collective performances of that school. There are many factors that disadvantage the public school sector, including not only the socio-economic status of the parents and the towns and areas from which many of those kids come but, if you like, the hampering processes by students who might not want to be there. They are disruptive, and in my observation you do not see many of the independent schools tackling a lot of those problems in the serious way they require. I have seen a willingness to expel students all too readily from the independent sector, with almost no questions asked. And who has to pick up the pieces? The public school sector. These are factors that need to be taken into account in delivering, where necessary, one-to-one facilities to enable public school teachers in this regard. Having been a teacher, and having been a parent of students in both the public and independent school sectors, I know. I will leave my contribution at that point.

Dr NELSON (Bradfield—Minister for Education, Science and Training) (6.15 p.m.)—I thank the honourable members who have contributed to the debate on the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2004 and the States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004. The former bill provides $33 billion for schools over the next four years, 2005-08. This is an increase of $9.5 billion over the current quadrennium. This bill reflects the government’s policy decisions relating to the forthcoming quadrennium and provides funding to implement key election promises in regard to school capital infrastructure in school term hostels. It goes without saying that state schools are owned, operated, administered and primarily funded by state governments and that when state governments do fund state schools almost half of the money originally comes from the Commonwealth. The Commonwealth’s role is to supplement the states for the funding of their schools.

In this bill there is $10.8 billion, which is a $2.9 billion increase, for state schools over the next four years. Importantly for the states, in response to lobbying from the state education ministers the Australian government school recurrent cost index will be maintained. The opposition describes this as ‘just indexation’. In fact, it ought to be pointed out that in October I announced that we will be supplementing school funding by 8.7 per cent for primary schools and 7.2 per cent for secondary schools. If there were any other model of indexation for schools then I am sure the opposition would be quite concerned. The average government school recurrent cost, which also applies to non-government schools, delivers increases to those schools based on running costs.

The Labor Party’s own policy, which we understand it has endorsed, would, over a six-year period, take every one of the non-government schools from AGSRC—average government school recurrent cost—to a new formula which is a composite of wage cost index and consumer price index and would deliver about three per cent per annum. No wonder Cardinal Pell and three other bishops were quite concerned about Labor’s policy, not only in terms of its sectarian nature but also because over a six-year period—as the
member for Jagajaga advised an audience on 16 September in Brisbane—all of the Catholic schools would move to the so-called resource index, at which point they would go to a level of indexation which is half of what is being delivered by AGSRC.

The Catholic Education Commission has also agreed to join the socioeconomic status funding model, as a result of which the Catholic schools will be receiving an additional $368 million over the next four years, above and beyond what they otherwise would have received. That brings recurrent funding to Catholic systemic schools over the next four years to $12.8 billion. Independent schools will receive $7.8 billion in recurrent funding. Funding maintenance will continue, and guaranteed funding has been introduced. In other words, this government is not about cutting the funding of the education of any particular student until supplementation and their SES score and average government school recurrent cost catches up with them.

There will be $2.1 billion for a new overarching targeted program: the Literacy, Numeracy and Special Learning Needs Program. That is a $393 million increase on the current quadrennium. It includes $117 million to assist geographically isolated children, $245 million to assist newly arrived students of non-English speaking backgrounds and $114 million to improve learning outcomes of students learning languages other than English. Over the next four years $2.5 billion for school capital will be provided, which includes an additional $1 billion, as announced during the recent election campaign. Of that, $700 million will go to government schools and $300 million to non-government schools.

This bill fulfils an election commitment to provide non-government school term hostels with a grant of $2,500 per child per year over the next four years. It also introduces a series of conditions for the first time in relation to government and non-government schools that receive funding from the Australian government. By 2010 there will be a common starting age in schooling and improved reporting to parents of the progress of children through their schooling—reports in plain language where students are ranked compared to other students in the class according to quartiles. I know somebody needs to be in the bottom 25 per cent of the class, but, if my son is there, I want to know about it because that means that he will be more likely to have a problem.

We will be returning to rankings. However else government and non-government schools choose to report to parents, there will be rankings of A, B, C, D and E—the average parent knows what that means—and descriptions of children’s progress in school will be written in absolutely plain language, without the politically correct jargon and computer generated reports which seem to permeate much of school reporting throughout Australia. This government want to see an end to that.

We will also make sure that information is available to parents and the community about the performance of a school. The literacy and numeracy benchmark performances of the students in years 3, 5 and 7 will be published and available to parents and the broader community. Median year 9, year 10 and year 12 results will be available. Information on teacher qualifications, teacher participation in ongoing professional learning, teacher retention rates, teacher attendance rates at school and student attendance rates at school will be made available to the community. These can be provided in a number of ways, whether on a web site, through signage, through school newsletters or through publication in other areas.
There will also be common testing throughout Australia in the key milestones of education: in science, in information and communication technology, in literacy and numeracy and in civics and democracy. What we want to ensure is that we do not have the mediocrity of a national curriculum but that in the key milestones of education children, irrespective of the state or part of Australia in which they are being educated, at least face common tests so that we can make sure that we have common outcomes.

It is also a requirement of the legislation that the principal will have a say over who teaches in a school. For principals in South Australia and Victoria that is quite an unremarkable thing. For principals in non-government schools of course that is day-to-day life in the way that the schools actually function. But in some parts of Australia principals are basically sent 10 teachers by an education bureaucracy—that is otherwise known as a politburo in my world—and told that all of these teachers are of high quality and they should take them. What this legislation requires in all schools that receive funding from this government to support education will mean that the principal will have a say about who teaches in that school. In remote areas in some parts of Australia, particularly western Queensland, western New South Wales and the remote parts of Western Australia, there are arrangements in terms of attracting teachers into otherwise unattractive areas. Naturally, we will work with school authorities to ensure there is no discrimination undertaken by principals in city based schools against teachers who are returning from remote secondment.

There will also be a requirement for compliance with the National Safe Schools Framework, which was developed over a 12-month period of consultation with all of the school sectors and the parent organisations. There will be at least two hours of physical activity provided in every school on a weekly basis.

This states grants amendment bill will do two things, essentially. It will provide funding to support the implementation of the tutorial credit initiative. In fact, only when I announced that the government would provide a $700 tutorial credit for students who did not pass the 2003 national year 3 reading benchmark did we finally have the four states and territories that had held out on this agreeing to report directly to parents the results of those 2003 benchmark tests. It has been a long, hard road in, firstly, developing national literacy and numeracy benchmarks and also getting states and territories to test the students in the government school systems and collect the information. It is a condition of this legislation that every school sector will report to parents the result of national literacy and numeracy benchmarks of students. Once this states grants amendment bill is passed, there will be a $700 voucher available for the parents of the 24,000 Australian students who did not pass the national year 3 reading benchmark in 2003, and we will be undertaking systematic evaluation of the effectiveness of that. The government is maintaining and indeed, as I have said, increasing funding to the programs that already provide support for students with learning needs, but I have a sense that parents like the idea of being able to have a voucher which they can redeem either at the school or with a tutor and which will be recognised by one of the brokers that we will be engaging to organise this. Getting some one-to-one help for their child is something that is likely to help their child——

Ms Macklin—When?
Dr Nelson—These vouchers will be delivered in the first semester of next year.

The bill also addresses a technical defect in the states grants act so that 700 non-
government schools can receive their correct entitlement under the general current grants program in 2004.

There are a number of issues that were raised during the course of the debate to which I will respond. The opposition cited some figures in relation to average per capita expenditure in government schools as being $336 per student in 2001 compared with $1,600 per student at independent schools. In fact, these are not figures that relate to Australian government funding at all—

Ms Macklin—Total.

Dr Nelson—There we go. They do not actually relate to total government funding. In 2003 the per capita figure from the Commonwealth government to schools was $76 per child for a student in an independent school and the much demonised King’s School and those sorts of schools do not get a dollar out of capital works programs. It is $95 per child for students in Catholic schools and $106 for students in state schools. As a result of this bill, there will be I think next year $117 per child in a government school, $116 per child in a Catholic school and $76 per child in an independent school. The figures will widen over the next quadrennium as the new $1 billion program is introduced.

It has also been said by some that these bills continue to favour a small number of students in the most expensive schools and neglect the vast majority of students in government schools and needy non-government schools—this is according to the opposition. The fact is that what the opposition has conveniently neglected to mention in the course of talking about state schools and students in them is the role of the state governments, which provide 88 per cent of the funding to students in government schools. This year this government will be increasing its funding to state schools by 11.6 per cent. Madam Deputy Speaker, you will not find a state government in Australia that has increased funding by 11.6 per cent. You will not find one that has increased it by 10, nine, eight, or seven per cent. There is not a state government in Australia that has done that. The closest is the New South Wales government at 6.7 per cent. By the way, it cut its capital works budget by 11.4 per cent. This government has increased its funding to state schools by 79 per cent since 1996 when enrolments have increased in the government sector by 1½ per cent. The Deputy Leader of the Opposition said that the high-fee schools educate five per cent of Australian students. In fact, it is about 4.5 per cent. They receive in total 1.4 per cent of all of the public funding into education.

The question was asked: why is it 13.7 per cent of average government school recurrent costs? That is equivalent to the 1998 category 1 funding rate for secondary schools. The primary rate was 12 per cent. Then it was asked of me: why, for the students who come from the poorest families was it 70 per cent of average school recurrent costs? Under Labor it was 59 per cent—that was the maximum they could possibly get. It is 70 per cent because we thought the students from the poorest families should get more support than the students from the wealthiest families.

The other point that needs to be made is this: it is quite clear, from everything that the Labor Party has said and done over the last five years, that Labor is opposed to parents who choose to send their children to non-government schools. In fact, ALP should stand for ‘against learning privately’. The Labor Party yesterday endorsed its education policy. In fact, a media release that was issued by the Deputy Leader of the Opposition said, ‘Caucus Endorses Labor’s Education Policies’. In other words, the Labor Party has decided to endorse its education policies. I
read a very interesting report in the *Courier-Mail* this morning, and it said:

A Caucus spokeswoman denied the decision meant Labor would again take a hit list of private schools to the next election.

Haven’t the Labor Party spent the last four years—in particular, the last year—constantly criticising parents who choose to send their children to non-government schools? Haven’t they argued persistently that they were going to cut the funding from students who attend certain non-government schools? In fact, during the election campaign, after five months of agitating from me, they finally produced a hit list of 178 schools that were going to have their funding cut or frozen in the first instance; and over a six-year period they would all go from average government school recurrent cost to an indexation model which is half what AGSRC was. That was the Labor Party policy. Yesterday they said they have endorsed their education policies, but then I read in the *Courier-Mail* that the Labor caucus spokeswoman:

… admitted “there will be redistribution”, meaning some schools would lose funding.

“We’re not specifying the degree or the quality of the cuts, but we are committed to redistribution.”

What sort of nonsense is this? Labor’s policy today is that they will cut the funding to an indeterminate number of non-government schools. They are not going to tell us how much they are going to cut funding—they are not going to tell us the degree or the quality of the cuts—but they are going to redistribute funding. Apparently, in Labor’s world, you can redistribute funding without actually cutting it from certain schools. The reality is that the Labor Party have a problem with parents who make sacrifices. The reality is that for every child whose school was on that hit list—Labor’s policy which was endorsed yesterday—

Ms Macklin—Mr Deputy Speaker, I raise a point of order. This is a summing up of a bill. This has absolutely nothing to do with the content of the bill the minister is summarising.

The DEPUTY SPEAKER—There is no point of order.

Dr NELSON—What kind of nonsense is this: the Labor Party are going to redistribute funding from some schools to other schools, but they are not going to cut it. The Labor Party caucus had a meeting and decided that they were not going to cut the funding for the education of at least 160,000 students. They said, ‘That’s not the problem.’ They also said that the problem is not that they have a leader who is frothing at the mouth and wanting to punish parents who want to make sacrifices for the education of their children. They have decided that the problem is that they actually listed the schools that they intend to punish. Labor have decided that their problem is not that they have a policy of cutting funding to parents who make sacrifices to send their children to non-government schools. They decided that their problem was that they created a list. In other words, Labor are saying to the parents of 1.1 million children in Catholic and independent schools: as long as Labor maintain their policy as it is, your child is at risk of having his or her education funding cut.

During the election campaign, Channel 9’s *A Current Affair* did a story on Labor’s policy. They went out to the much demonised King’s School, and the first mother they interviewed said, ‘I am working flat out.’ And she said, ‘My husband is in Iraq, serving with the Australian Navy and Mr Latham now wants to cut funding for my child’s education.’ The reality is that if a child goes to a government school he gets $1 of public funding. If the same child leaves that government school and goes to the King’s School, he will
get 25c. If he goes to the Scots College, thanks to the fellow travellers in the Australian Education Union, that child will get one-sixth of the money he would get in a public school. The Labor Party are peddling mistruths and deception, and it is quite clear that the Leader of the Opposition and the Deputy Leader of the Opposition have a policy of punishing parents who make sacrifices—often extreme sacrifices—for the education of their children. I say to those parents: we in the Howard government will stand by you and will support you. (Time expired)

Ms Macklin—We all know that you’ll stand by the wealthy forever.

The DEPUTY SPEAKER (Hon. I.R. Causley)—The member for Jagajaga!

Mr Hockey interjecting—

The DEPUTY SPEAKER—I will use standing orders to call people to order if they persist.

Ms Plibersek interjecting—

The DEPUTY SPEAKER—Does the member for Sydney want to leave the chamber? The original question was that this bill be now read a second time. To this the Hon. the Deputy Leader of the Opposition has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The immediate question is that the words proposed to be omitted stand part of the question.

Question put:
That the motion (Ms Macklin’s) be agreed to.

The House divided. [6.39 p.m.]

(Area Speaker—Hon. I.R. Causley)

| Ayes .......... | 77 |
| Noes .......... | 58 |
| Majority ....... | 19 |

AYES

Abbott, A.J. Andrews, K.J.
Baird, B.G. Baker, M.
Baldwin, R.C. Barresi, P.A.
Bartlett, K.J. Bishop, B.K.
Bishop, J.I. Broadbent, R.
Brough, M.T. Cadman, A.G.
Cob, S.M. Cobb, J.K.
Draper, P. Dutton, P.C.
Elston, K.S. Entsch, W.G.
Farmer, P.F. Fawcett, D.
Ferguson, M.D. Forrest, J.A. *
Gambaro, T. Gash, J.
Georgiou, P. Haase, B.W.
Hardgrave, G.D. Hartsuyker, L.
Henry, S. Hockey, J.B.
Hull, K.E. Hunt, G.A.
Jensen, D. Johnson, M.A.
Jull, D.F. Keenan, M.
Kelly, D.M. Laming, A.
Ley, S.P. Lindsay, P.J.
Lloyd, J.E. Macfarlane, I.E.
Markus, L. McArthur, S. *
McGauran, P.J. Moylan, J. E.
Nairn, G. R. Nelson, B.J.
Neville, P.C. Panopoulos, S.
Pearce, C.J. Prosser, G.D.
Pyne, C. Robb, A.
Richardson, K. Schultz, A.
Ruddock, P.M. Secker, P.D.
Scott, B.C. Smith, A.D.H.
Slipper, P.N. Southcott, A.J.
Somlyay, A.M. Thompson, C.P.
Stone, S.N. Tollner, D.W.
Ticehurst, K.V. Tuckey, C.W.
Truss, W.E. Vaile, M.A.J.
Turnbull, M. Vasta, R.
Vale, D.S. Washer, M.J.
Wakelin, B.H. Wood, J.

NOES

Adams, D.G.H. Albanese, A.N.
Andren, P.J. Beazley, K.C.
Bevis, A.R. Bird, S.
Bowen, C. Burke, A.E.
Burke, T. Byrne, A.M.
Corcoran, A.K. Crean, S.F.
Danby, M. * Edwards, G.J.
Elliot, J. Ellis, K.
Emerson, C.A. Ferguson, L.D.T.
Ferguson, M.J. Fitzgibbon, J.A.
Georganas, S. George, J.
Gibbons, S.W. Gillard, J.E.
Grierson, S.I. Griffin, A.P.
Question agreed to.

Original question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

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

Consideration in Detail

Bill—by leave—taken as a whole.

Ms MACKLIN (Jagajaga) (6.46 p.m.)—by leave—I move opposition amendments (1) to (9) as circulated in my name:

(1) Clause 4, page 7 (after line 6), insert the following definition

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

(2) Clause 14, page 17 (after line 18) after paragraph (a) insert the following paragraph

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

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

(i) a commitment by the State that:

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

(4) Page 19, (after line 21) after clause 14, insert the following new clause

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

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

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

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

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

(i) the total resources available to each school from all sources;
(ii) enrolment policies and practices, including information on the enrolment of indigenous students and students with disabilities;

(iii) student admission and exclusion policies and practices;

(iv) qualifications and accreditation standings of teaching staff;

(v) curriculum offerings at the school; and

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

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

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

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

and

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

(l) a commitment by the relevant authority that:

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

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

(7) Page 32 (after line 28), after clause 31, insert the following new clause

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

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

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

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

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

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

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

(iii) student admission and exclusion policies and practices;

(iv) qualifications and accreditation standings of teaching staff;

(v) curriculum offerings at the school; and

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

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

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

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

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

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

The primary purpose of the amendments that I am moving tonight is to insert the definition of need into this legislation. This is an area where there is a fundamental difference of view between the government and ourselves and, while I certainly will not behave as the minister did at the dispatch box just now, I want to correct some of the things that he said. First and foremost, Labor believe in funding all schools—government and non-government—on the basis of need. We certainly do recognise that parents want a choice about where to send their children, and our fundamental view is that schools should be funded on the basis of need. Any parent listening tonight should completely discount the diatribe we have just had from the minister, because Labor have supported the funding of non-government schools on the basis of need for 30 years, and we will continue to do so.

Unfortunately, there is no definition or principle of need contained in this legislation. That is why I am proposing to insert that through the amendments that are before us right now. Unlike the legislation we are debating, the amendments provide an explicit reference point for the allocation of funds in Commonwealth programs, and I want to specifically refer to our view that it would be desirable to have the definition of need inserted not only for recurrent funding but also for capital funding. Our definition has two elements: educational need—that relates to particular students, whether they are Indigenous students, students from poorer backgrounds or students with a disability—and financial need. We on this side of the House recognise that it is important to count all resources available to a school, not just those provided by the Commonwealth government, in assessing the need for a particular school to get additional funding from the Commonwealth. That is a major area of difference between us, but I hope that the minister recognises that, as I said in my speech earlier today, we are putting these amendments forward in good faith—though his latest outburst would suggest not. I hope that he recognises that and takes them seriously.

In terms of the general condition of need, amendments (2) and (5) give effect to the broad principle of distribution of funding across all programs for government schools. These are amendments that relate to government schools and are consistent with the definition amendment—that is, amendment (1). Amendments (2) and (5) also provide for the needs principle to be part of agreements with non-government school authorities. If passed, these amendments would require the needs principle to be part of the formal agreements with school authorities and in related accountability arrangements. I find it extraordinary that the minister thinks it is okay to have very detailed accountability arrangements on a whole range of things—which I actually do not have a problem with—but will, I fear, not agree to the prin-
principle of need in the funding of our schools. The principle as we have put it forward in these amendments is expressed in very broad terms. Nevertheless, I think it would mean that Commonwealth funding would meet the most important principle of making sure that both educational need and financial need are at the heart of this legislation.

On the issue of the capital funding, amendments (8) and (9) attempt to address a number of problems that I think exist in the bill. (Extension of time granted) Once again, we certainly want to see the needs principle applied here. I would like to ask the minister a couple of questions in this regard, because this is an area where he has indicated, in some of his public remarks, that there will be some notion of need in the allocation of this funding. Obviously, the government funding will go to the government schools, but on the non-government side I understand that the minister said that the additional capital funding will go to ‘less well-off Catholic and independent schools’. If the minister has a proposition for how ‘less well-off’ is going to be defined, we would appreciate knowing that tonight. Maybe these amendments are not necessary if the minister has a way of defining what ‘less well-off’ means. If he is going to show how this legislation defines ‘less well-off’, I think that would help the House. Certainly in my reading of the legislation I have not been able to find ‘less well-off’ defined. If the minister could assist on that issue, it might help the debate, particularly regarding these capital funding amendments.

Dr NELSON (Bradfield—Minister for Education, Science and Training) (6.53 p.m.)—Firstly, in terms of need, the government has a socioeconomic status funding formula. This broadly deals with the issue of need across the next quadrennium. Under the legislation, the 100 schools that will receive the most funding include 23 special schools and 73 schools with an SES score of 87. They will receive $1,484 per capita in the fourth year. The 100 schools receiving the lowest amount will receive $484 per child—so, in other words, considerably less—and they have an average SES score of 121.

Of the additional capital works money that was announced during the election campaign, $700 million for the government schools goes directly to the school principal and P&C—or the school council; however the parents group is structured. Then there is the $300 million that will go to the block grant authority. The block grant authority, as the opposition knows, is independent from the government. It comprises representatives from various components of the non-government sector. As should be well known but is often not represented as being such, the government’s capital works funding for non-government schools does not go to the King’s School or Wesley or Ivanhoe Girls—those schools do not get it. In fact, at the moment, and it is being proposed here, the block grant authority will distribute the funding, essentially as it does now, to the Catholic, Christian, Anglican, Islamic, Aboriginal, Adventist and Lutheran community schools which are determined to be in greatest need on the basis of occupational health and safety needs and clear student load with capital infrastructure which is insufficient to meet it. They obviously take into account the socioeconomic profile of the parent body from which the students are actually drawn.

One of things that we are doing, given that we are increasing the capital works funding which is available for the non-government sector by around 68 per cent over the next four years, is taking the opportunity to look at the functions and composition of the block grant authorities, in part with a view to seeing that we can perhaps get some direct parental representation into the block grant authorities as well. The reason there is nothing...
more specific than that in the proposed legislation is that, perhaps unlike the Labor Party, we actually think that we need to sit down and talk to the Catholic Education Commission and the Association of Independent Schools and work cooperatively with them and the parent organisations—the Australian Parents Council—in determining their view regarding any change to the structure or function of the block grant authorities.

Ms MACKLIN (Jagajaga) (6.56 p.m.)—I take it from that that there will not be any definition in the bill, so the parliament will not have any oversight of what ‘less well-off’ means. We will not receive any information here today about what that means—is that correct? There will not be any definition in the bill unless you agree to our amendment to insert the principle of need into capital funding. I think that is what you are basically saying—the system will just continue as it is. We have had this debate in relation to another bill. When I tried to insert the needs principle into a previous schools capital bill, the minister then also refused to insert a definition of need in relation to capital funding.

All we are seeking is that those block grant authorities be directed by the parliament to distribute their funding on the basis of need—that they are directed by the government’s legislation to make sure that funding is delivered to the neediest schools. Like the government, we take the view that these are the places for the allocation of funding to be worked out, but what is extraordinary is that we have two completely different systems. We have one system for the government schools, where the government has decided to deal directly with individual government school parent groups, but when it comes to the non-government sector I cannot understand why parents are not included. There is not actually any mention of parents being required to be involved in the non-government sector. As the minister has just outlined, the system in the non-government sector is just going to be the same as it currently is. It is just going to go through the block grant authorities.

In fact, what we are suggesting is that the legislation should require that parents be involved in the non-government sector. I think it is a good idea for parents to be involved, both in the government and non-government sectors, but for the life of me I cannot understand why it is good in the government sector but the minister does not think it is necessary in the non-government sector. You have just mentioned that you would like to involve parents, so maybe that is one area where you would be prepared to pick up our amendment which seeks to include parents. Amendments (8) and (9) are all about bringing some consistency in approach across the public, Catholic and independent sectors. The amendments would require parents to be explicitly involved in the process of setting priorities for capital expenditure. It is an area where we have some agreement that the involvement of parents is a good thing, but I do not know why it cannot apply to both sectors.

We need to get some clarity about the fact that, if the Minister for Education, Science and Training does not agree to this change, there will not be any definition of need in relation to capital funding. Obviously we do not agree that the SES is a definition of need; otherwise, we would not have seen massive increases to the wealthier schools in this country over the last four years. But I understand we have a difference of view, and I do not want to take up the time of the House on that debate where we are so far apart.

On the capital funding issue, the minister has said that he wants the money to go to less well-off Catholic and independent schools. So do we and we would like to see
that in the bill. We also agree with the minister that parents in both sectors should be involved. I commend to the minister amendments (8) and (9) on this capital issue. Could the minister also inform the House—given the time; I know this was not the original intention—when schools will be provided with the information that they will need to apply for the new capital funding and how that information will be made available.

Dr NELSON (Bradfield—Minister for Education, Science and Training) (7.01 p.m.)—The question itself about parental involvement in the non-government schools reflects a crippling ideology which permeates the Labor Party. It seems to not understand what is going on. Firstly, in the non-government sector, the capital works projects that are applied for are a product of the parents in the school community putting forward a particular project—the parents have already decided what the capital works project will be. Secondly, the parents are involved. I can tell you that they are very involved. They are paying a median fee of $2,850 a year to send their children to these schools. As everyone should know, when they send their child to a non-government school they receive less public funding. Every child in an independent school in Australia is carrying $4,240 in debt that the parents are paying in school fees. I can tell you that the parents are not only involved; they are very committed.

The system of going directly to P&Cs, school councils and school principals in the government system is because at the moment state government education bureaucracies determine what the priorities are. We are trying to actively involve parents at the government school level. The block grant authorities are considering applications from school communities. As I said earlier, they are receiving from independent schools $76 per child in capital works, and $116 per child from Catholic schools, versus the $117 from the government sector—from the Australian government. As I say, the block grant authorities are already distributing money on the basis of need according to SES, occupational health and safety, student capital ratios and so on. Early in the new school year, I will be writing to all of the state schools and the parent bodies and I will be advising them—

Ms Macklin—Sorry; did you say in the new year?

Dr NELSON—Yes. In the new year, I will be writing directly to all the government schools and the parent bodies to advise them of the program, the application procedures and the forms that need to be involved. We expect the first tranche of the grants to be delivered to the school communities about mid next year.

I have also had meetings with the council of state school parent organisations and the peak primary and secondary principal organisations. They will be actively involved in this process at a state and federal level and obviously at the local school level. They are quite supportive of the program and have agreed to work constructively with us, as have at least two of the state governments—I will not embarrass them by naming them—who have advised me directly that they are very happy to cooperate in any way they possibly can with the program.

Ms MACKLIN (Jagajaga) (7.04 p.m.)—Is the purpose of these amendments to involve parents explicitly in the process of setting priorities with the block grant authorities, which the minister mentioned he would like to see? I am of course aware that parents are involved at a school level. I would like to correct a misapprehension that the minister may have about government schools. In my government schools, parents are very involved both in putting submissions together.
and raising money themselves for local initiatives. So it is just not true that government school parents are not involved. They are very involved, as are parents in the non-government sector. I think we both share the view that parents should be involved, but I am trying to understand why we cannot have an explicit commitment in the legislation that, for the non-government sector, parents will be involved in the process of setting priorities in the block grant authorities. Just a minute ago the minister said that he would like to see them involved. Maybe the mood is not right.

I will move on to other areas where we are seeking some amendment to once again improve the legislation. Reporting to parents and giving greater flexibility to recruitment are areas where I have some agreement with the government. The importance of reporting is, I think, very plain for everybody to see. Parents certainly do need to know how their children are going. But one of the most important things is to make sure that all the reporting that is being required in this legislation is based on the fundamental principle that this accountability is all about improving students’ learning—that it is not being done for any other reason. That principle is not in the bill. The purpose of the amendments before us tonight is about making it absolutely plain that educational integrity and improving students’ learning are the reasons for this increased reporting.

If that is made plain, if these amendments are accepted, I think the bill would be strengthened. That would not take away from the reporting that is required by the bill, because I do think that it is a good thing to require improved reporting. However, I think there are some things that the bill does not require reporting on which would in fact assist both parents and school communities. These amendments also go to adding to the range of information that should be available to assess the validity of school performance. What we are proposing is that, in addition to the things which are in the bill, we also require information about resources, teaching staff, curriculum and student welfare programs. We are proposing that these things should also be reported so that we make sure that both parents and teachers can use this information for the benefit of children. I do not know whether the minister is going to take any of these amendments seriously. They are put forward in good faith. As I said before, I would hope that he would recognise that improving students’ learning should be at the heart of this bill. It is not at the moment. The information does not have a clear purpose, so I would commend those amendments to him as well.

The final two amendments relate to improving the recruitment of teachers and giving principals in schools a greater role in the staffing of their schools. I mentioned in my speech during the second reading debate that I am aware that Premier Beattie has written to the Prime Minister—I do not know if any of the other premiers have—and I know that the Prime Minister and the Minister for Education, Science and Training, who is at the table, have responded favourably to the concerns that Premier Beattie has set out. While recognising that there is some value to be had from giving greater flexibility to schools over staffing decisions, there are some schools that just cannot get staff. (Extension of time granted) This includes schools in isolated areas. There are also shortages in some curriculum areas, whether it be maths, science or languages. The states and some of the other school systems, including some of the independent schools, put particular effort into system-wide recruitment strategies. What we are trying to do through these amendments is to make sure that there is some flexibility in this bill so that the states, which have to deal with these difficult is-
sues—it is a reality of the nature of Australia—are able to have system-wide recruitment initiatives. I reiterate that that applies particularly to those schools which are very hard to staff and to those difficult curriculum areas.

As I said, we do recognise the general responsibility of the government school employers, the state governments and departments and the other school authorities to manage teacher recruitment for the benefit of all. This applies to the non-government sector as well as the government sector. All we are seeking here is to make sure that the concerns of a number of state governments, particularly in those states with very dispersed geographical populations, are able to be addressed. If the minister is not willing to adopt our amendments, I would ask how he intends to address this very serious problem.

Dr NELSON (Bradfield—Minister for Education, Science and Training) (7.11 p.m.)—The government appreciates all of the opposition’s motives for moving the amendments but we will not be accepting the amendments. However, I would say, as the Prime Minister said to the Queensland Premier, that in the operation of this power of veto, which we strongly believe principals should have over staff appointments in the school for which they are responsible, we will ensure it is developed in cooperation with the state education and non-government educational authorities and in such a way as certainly would not militate against the recruitment of teachers into difficult to staff remote areas. We certainly do not want principals in metropolitan schools, for vexatious reasons or any other reasons other than appropriate ones, not approving the appointment of a teacher returning from a remote or rural posting.

Not all things in life can or should be legislated. On the question of the measures relating to school reports, they were developed in part with the advice and input of Professor Peter Cuttance. Peter Cuttance and Shirley Stokes did substantial work for government in relation to parents and their expectations of school reports. Of course, plain language reporting to parents obviously advances the educational needs of children and their learning. One of the problems is that parents often find the reports close to unintelligible. Even people who have higher levels of education often find them close to meaningless. Keep in mind that we did run a national consultation, which received 8,500 responses. There has already been a lot of public and parental input and we do not think it is necessary to legislate all of the things that the opposition feels should be legislated. I have carefully taken note of the things that have been said. I take on board the issues of parental involvement in block grant authorities, the advancement of the educational needs of children in relation to reporting, and certainly the operation of principal power of veto in staff appointments. It is not in anybody’s interest—most importantly that of Australian children—to create a system with the best of intentions that militates against the best interests of getting and keeping teachers in difficult to staff areas.

Ms MACKLIN (Jagajaga) (7.13 p.m.)—That is all very good, but of course we are debating legislation and the whole purpose of legislation is to provide the laws that will mean that the Commonwealth’s intentions in the spending of money are met. That is why it is important to have very clear principles in the legislation that actually reflect the wishes of the parliament. I find it extraordinary that this minister, given the very significant increase in the level of accountability that he is seeking—and I am not arguing against most of it—will not accept that we should have some fundamental principles. One fundamental principle is that the pur-
pose of this increased accountability must be to improve students’ learning, to make sure that the information that is collected and reported to parents and teachers can actually be used to improve students’ learning. That is what it is all about.

This will be the last time we debate this legislation for the next four years. This is the opportunity to say to the Australian people that this parliament thinks this very large amount of money should be spent primarily to improve students’ learning, and that we should not be having accountability for any other reason. The legislation we debate in this House is very important. Its purpose is so that we can say to the Australian people what we think the money should be spent on.

I hope the minister will give further consideration to the proposals on capital funding. There is certainly no definition of need in the legislation. There is no definition of need relating to capital funding more broadly, because I have tried to get that in there before. So I ask the minister to think about that again. He thinks it is distributed on the basis of need but, once again, the legislation should determine that it will be allocated on the basis of need but, once again, the legislation should determine that it will be allocated on the basis of need. I take the minister’s points on the government’s intention to negotiate with the states—and the Catholic Education Offices in particular—to ensure that those states and school authorities will be able to get teachers into hard to staff areas.

Once again, I say to the minister that the purpose of the legislation is to provide the mechanisms by which funding is delivered. If ever there were an opportunity to make sure it is delivered according to what the minister has agreed is his, and our, objective—which is to make sure that those schools are still staffed—it seems to me that putting it in the legislation guarantees that. So I hope that by the time this legislation goes to the Senate the minister may have had a little more time to consider these issues. I know that we are very far apart on the question of funding very wealthy schools. The minister’s outrage earlier was, I think, an indication of the government’s desire to continue to fund these very wealthy schools way above the standard of the vast majority of non-government schools.

There are 2,500 government schools that would have received very significant increases from a Labor government. Our commitment is to continually improve their position. Of course, the most needy schools were going to get the vast increases that this government has decided it would rather give to the most wealthy schools. That is really the nub of the debate on the differences between us. We are not going to stop this legislation, because schools need it. But I have to say again tonight that we do think it is unfair to give more money—a 200 per cent increase in funding—to the King’s School, while the Catholic parish school gets 25 per cent. We do not think that is fair. The Catholic parish school is more needy, and that is where we want the money to go.

Dr Nelson interjecting—

Ms MACKLIN—No, our money was on top of what the government is giving. The minister knows full well that the money we were providing was on top of that because it was being redistributed away from the wealthy schools. There is a fundamental difference between us. I just hope that, on those issues where we can improve the legislation, we can put our differences aside and come to some agreement about improvements. (Time expired)

The DEPUTY SPEAKER (Hon. I.R. Causley)—The question is that the amendments be agreed to.

Question negatived.

Bill agreed to.
Third Reading

Dr NELSON (Bradfield—Minister for Education, Science and Training) (7.19 p.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

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

Second Reading

Debate resumed from 17 November, on motion by Dr Nelson:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Dr NELSON (Bradfield—Minister for Education, Science and Training) (7.19 p.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

INDIGENOUS EDUCATION (TARGETED ASSISTANCE) AMENDMENT BILL 2004

Second Reading

Debate resumed from 17 November, on motion by Dr Nelson:
That this bill be now read a second time.

Ms LIVERMORE (Capricornia) (7.21 p.m.)—I am pleased to have this second opportunity to debate the Indigenous Education (Targeted Assistance) Amendment Bill 2004. When you consider the level of disadvantage that exists in the Indigenous community in this country, you could say that we do not spend enough time in this parliament discussing and debating measures that can address it. So doubling up on this particular bill is a good use of the parliament’s time. It gives us a chance to better understand the scale of, and reasons for, Indigenous students’ underachievement in our education system and to recognise our responsibility as parliamentarians to do everything possible to bridge the gap that exists in educational outcomes between Indigenous and non-Indigenous students. The challenge is there for all governments, but we do not believe the measures provided for in this bill do enough to meet that challenge.

In the interests of providing certainty to education providers for 2005 and beyond, the Labor Party will not oppose the passage of this bill. It provides for the appropriation of $913.2 million to be put towards Indigenous education programs for the 2005-08 quadrennium. Most of that funding goes to the two existing programs, the Indigenous Education Strategic Initiatives Program, or IESIP, and the Indigenous Education Direct Assistance Program, or IEDA. Since the bill was last debated it has been amended to include funding for two new programs that were announced during the recent election campaign: the youth leadership program, worth $10 million, and $19.5 million for a youth mobility program.

The first point to make about this package is that apart from the election announcements there is no new money in real terms being put towards the core initiatives that are supposed to be making a difference to the education of Indigenous students. We caught the minister out on this point during the last debate. In announcing the Indigenous education package in April, the Minister for Education, Science and Training claimed the $2.1 billion commitment as a record and said it represented an increase of $351 million or 20.5 per cent over the next quadrennium.
That was just rubbish. The so-called record was achieved by including Abstudy money in the package, which is a complete shonk. This exposed that the real increase in funding over the next four years is actually 3.25 per cent per annum. In other words, that is indexation that barely accounts for the rate of inflation, not new investment in Indigenous education.

The rest of the increase in funding can be attributed to the projected increase in the number of Indigenous students enrolling at school. The supplementary recurrent assistance paid to schools under the Indigenous Education Strategic Initiatives Program is a per capita payment, so the additional funding is due to additional students, not any largesse on the part of the government as the minister would have us believe. The department’s own review of the Indigenous Education Direct Assistance Program shows that there has been no real increase in funding for that program since 1991. So much for the minister’s claim in his second reading speech that closing the education divide between Indigenous and non-Indigenous Australians remains one of this government’s highest education priorities.

There are two programs in particular that are funded out of IEDA that will change their focus substantially in the next four-year funding round. The first one was the subject of much of the previous debate on this bill. I am talking about the government’s proposal to abolish ASSPA committees and shift that funding into a competitive, submission based system. There are currently around 4,000 Aboriginal Student Support and Parent Awareness, or ASSPA, committees in schools around Australia. Basically, these committees operate wherever there are Indigenous students enrolled. The ASSPA program came about in response to one of the key goals of the National Aboriginal and Torres Strait Islander Education Policy. Its purpose is to establish effective arrangements for the participation of Aboriginal parents and community members in decisions regarding the planning, delivery and evaluation of preschool, primary and secondary education services for their children.

The ASSPA program provides resources to school based Indigenous parent committees for activities designed to enhance education opportunities for Indigenous students in preschool, primary school and secondary school and, importantly, to involve Indigenous parents in educational decision making processes. The amount of funding for each school under the existing ASSPA scheme is currently automatic and is based on a school’s per capita enrolment of Indigenous students. Schools set up committees of Indigenous parents and community members to work with principals and schools to achieve educational outcomes for Indigenous students.

The kinds of activities that have previously been supported through the ASSPA program fall under six categories. They include to encourage the parents of Indigenous students to become actively involved in the education of their children, to improve the access of Indigenous students to education, to increase the educational participation and attendance of Indigenous students, to improve educational outcomes for Indigenous students and to enable Indigenous students to participate in school based educational and sporting excursions and cultural activities. The sorts of things that many members would have seen happening at schools in their electorates include celebrations for NAIDOC Week, breakfast clubs and homework centres.

The parent committees and schools that have been running those programs are in for a shock because from the start of next year there will not be any ASSPA program. The government has announced that it will abol-
ish the ASSPA program and replace it with what it calls the Whole of School Intervention Strategy, which includes parent-school partnerships and homework centres. The first thing to note about the whole of school intervention strategy is that there is a cut in funding to this program compared to the former ASSPA program. The last financial year’s allocation for ASSPA was around $19 million. The package announced by the minister in April cuts the funding for the parent-school partnerships initiative back to $15 million per year.

The other thing to note is the cavalier way in which this significant change has been developed. There has been next to no consultation with Indigenous communities and other people closely involved and interested in the education of Indigenous students and, from the feedback I am getting, very little meaningful communication about what the changes will mean to schools and their existing ASSPA committees and how the replacement program will work in practice. The minister keeps pointing to the review of the Indigenous Education Direct Assistance Program that the department carried out between September 2002 and December 2003 as the rationale for these sweeping changes to the ASSPA program. You would have to assume from that that this review must have been pretty damning of the ASSPA program. But I have read the report several times now and it is not damning at all. It just does not support this drastic change to the program. For example, one of the key findings in the review report concludes:

... there was support for the concept of the ASSPA program among those consulted. Many people were of the view that the emphasis it places on involving parents in school education makes it one of the most important Indigenous education programs. A large number of respondents to the discussion paper were of the view that greater ownership in the decision making process by Indigenous families was a positive outcome of ASSPA.

The report gives considerable attention to the factors that contribute to the success or failure of ASSPA committees within schools.

Debate interrupted.

ADJOURNMENT

The SPEAKER—Order! It being 7.30 p.m., I propose the question:

That the House do now adjourn.

World AIDS Day 2004

Ms VAMVAKINOU (Calwell) (7.30 p.m.)—Can I take this opportunity, Mr Speaker, to congratulate you on your appointment and to wish you well in a job that no doubt has its moments. Today is World AIDS Day and it is an opportunity for us in this House and elsewhere to reflect on the devastation that HIV/AIDS continues to cause to people around the world. As we all know, HIV/AIDS threatens the wellbeing of communities and individuals, and has economic ramifications for developing countries in particular and indeed continents such as Africa, where HIV/AIDS has reached epidemic proportions. In South-East Asia, HIV/AIDS is posing a major threat to our neighbours as they struggle to contain the alarming rate of infection that is sweeping through their communities.

There are some 7.4 million people living with HIV in the Asia-Pacific region, with 3,000 new infections per day. At a global level, 4.9 million new HIV infections have been recorded this year alone, with 39.4 million people living with HIV/AIDS. Sadly, 17.6 million of those are women. Again, sadly, 3.1 million deaths have been recorded in 2004.

This is no doubt an issue of international concern, and I have to agree with the statements that the Prime Minister made at the APEC summit. He said:
… you’ve got to have very clear and unambiguous leadership at a government level about what has to be done.

As I said, I agree with the Prime Minister, but I am also a little concerned that some of this ‘unambiguous leadership’ is not being extended to the situation of HIV-AIDS sufferers here in Australia. Unfortunately, here at home we have state government arrangements and inconsistent federal approaches that are a shambles and have allowed infection rates in Australia to rise sharply in recent years. Last year, another 780 Australians were diagnosed with the virus—a 13 per cent jump on the 690 who tested positive in 1999, a year considered to be a low point.

It is fine for the Prime Minister to be overseas, making contributions and lecturing on HIV-AIDS, but back home his government’s own Medicare benefits schedule does not pay for HIV-AIDS testing, despite repeated efforts and lobbying by the Australian Federation of AIDS Organisations and the Victorian AIDS Council. When a person visits their local GP in order to have a test, they are required to pay approximately $25 for the pathology costs. If you cannot get a bulk-billing doctor—and in recent times that is increasingly the case—then you have to consider whether the GP’s consultation fee becomes an issue.

In Victoria there were some 202,679 HIV tests performed in 2002, resulting in 234 HIV diagnoses. Of those tests, only 6,043 were paid for by the Victorian state government, funded in part by the public health outcomes funding agreement. Therefore, the vast majority of these tests were paid for by the patient up front. Clearly, the cost of having these tests is becoming a financial burden for many Australians, especially for those who are in a high-risk group and who are required to have tests on at least a three-monthly basis. As a result, many of them are opting out of the testing regime and therefore posing a problem with detection and, as a consequence, containment of HIV-AIDS. That is possibly why infection rates are rising in Australia.

You have to ask how this can constitute national leadership when the government has not acted on the recommendations of the fourth National HIV-AIDS Strategy, which expired on 30 June this year. How can the Prime Minister be leading by example when there is at least a six-month gap between the expired fourth national strategy and the fifth National HIV-AIDS Strategy, which will not take effect until well after 1 January 2005? Department of Health and Ageing officials have admitted that the strategy is months behind schedule and may not even meet the 1 January 2005 deadline.

If the government were serious about national leadership, I presume the Minister for Health and Ageing would have come into the House today, World AIDS Day, and announced that HIV testing would immediately be placed on the Medicare benefits schedule. This is a critical issue. It is certainly an issue that is of concern to people in the community, and I call on the government to reconsider its position and make testing available to all. *(Time expired)*

**Frost, Dame Phyllis**

Mr ANTHONY SMITH (Casey) (7.35 p.m.)—Tonight I want to take the opportunity to speak in the Australian parliament about somebody who devoted their life to our country. I speak of the late Dame Phyllis Frost of Croydon, who passed away just over four weeks ago. She passed away at the age of 87, after a long, fruitful, tireless, determined, persistent, full and happy life.

She was the epitome of community. Over her lifetime she was involved with nearly 50 different community organisations and charities in Croydon and across Victoria and Australia. A great deal has already been said and
written about her many activities, including her inspirational campaign to establish the Keep Australia Beautiful Council, and her dogged and persistent campaign to improve conditions and facilities for female prisoners.

Dame Phyllis Frost was born in 1917 on 14 September, when the First World War was at its bloodiest on the Western Front and communism was being born in Russia—in fact, in her lifetime she would see the birth, rise and collapse of communism, and she would see the growth and success of democracy. She saw the horse and cart being replaced by the motor car. She saw air travel become commonplace. She saw space travel, which was a fantasy in her childhood, become a reality by her mid-40s.

Dame Phyllis lived at an incredible time, as that generation did—an incredible time in world history, when so much was changing—and she saw so much change about Australia. When she was born, our Seventh Parliament had just been elected. Many of the founding fathers from the First Parliament were still in this chamber, guiding a developing country. At her birth, Australia’s population was around five million. When she and her family moved to the then rural town of Croydon in 1923, when she was aged seven, the population there numbered just 600.

Dame Phyllis Frost did not just watch this change. People like her, who were devoted to community, drove that change. They did not just witness Australia progress; they were part of the progress. In remembering Dame Phyllis’s contribution we must reflect not just on her great deeds but on her motivation and the unshakable belief she had that, with the freedoms gifted by a democracy and a young country, there were also responsibilities on free citizens and free people in democracies to make a major contribution to community. In her view, democracy relied on a compact where, if we were to have limited government and the freedoms that all that entailed, we also needed on the other side strong community volunteers and strong contributions to grow that free society. And for those more able to give—and she placed herself in that category—that contribution and responsibility was greater.

Together with her husband, Glenn, Dame Phyllis ensured that their three children—Elizabeth, Pauline and Christine—participated fully in their community and helped those in need. As children, their birthday parties always included an invitation for guests to bring presents that would be suitable to give at a later date to other children who were in more need. When extra hands were needed to help with the many organisations and charities she was involved in, her daughters were always encouraged to assist and were taught that it was not just their duty but, more than that, a privilege to help and assist those in greater need than they were.

Dame Phyllis’s contribution and her dedication to her community live on in her daughters, her grandchildren and her great-grandchildren. One of her daughters, Pauline Osmond, a great friend of mine and of so many in this parliament, has served the parliament for 20 years, including for the last 8½ years with the last three Speakers. Pauline and her sisters and their families continue to carry that baton of national pride and dedication to community that Dame Phyllis carried for all her adult life.

**Groner, Rabbi Yitzchok Dovid**

Mr **DANBY** (Melbourne Ports) (7.40 p.m.)—As I move around Australia, people remark to me on the vibrancy of the Australian Jewish community in Melbourne. Part of the reason for that positive reputation is 50 years of work by a great rabbi, a man who recently celebrated his 80th birthday. I refer
to Rabbi Yitzchok Dovid Groner, a resident of my electorate of Melbourne Ports and head of the Chabad-Lubavitch movement in Australia. I had the honour of attending a dinner with nearly 1,000 people at Crown Palladium on 23 November to celebrate his 80th birthday and 45 years of work in Australia.

Rabbi Groner was born in New York in 1924, and as a young man he became a follower of one of the greatest spiritual leaders of Orthodox Judaism, the Lubavitcher Rebbe, who in turn arrived in New York as a refugee from Europe in 1940. In 1947, Rabbi Groner at 22 became the emissary of the Lubavitch movement and made his first visit to Australia, a journey which in those days required 55 hours of flying time from New York.

For the benefit of honourable members who are not familiar with the history of Orthodox Judaism, let me explain that the Lubavitcher Rebbe was the sixth in a line of famous rabbis originally from the town of Lubavitch in Belarus. He founded a movement within orthodoxy known as Chabad, which is a Hebrew acronym for ‘chochma’, meaning wisdom, ‘bina’, meaning understanding, and ‘da’as’, meaning knowledge. Central to Chabad’s emphasis is that it seeks to inspire all Jews to rediscover their spiritual roots and their traditions. What foresees the Lubavitcher Rebbe had in the 1940s to know that an important remnant of European Jewry would need spiritual sustenance when they settled in the far Antipodes, in Australia.

In 1953 Rabbi Groner made his second visit to Melbourne, and in 1959 he was sent by the seventh Lubavitcher Rebbe, Rabbi Menachem Mendel Schneerson, to settle here permanently. Six months later his wife, Devorah, brought their six children to join him. They had two more children in Australia and moved to Hotham Street, St Kilda East, where the rabbi has lived ever since, in the heart of my electorate. Over the past 45 years, the rabbi and his rebbetzin have devoted themselves to the promotion of the Chabad movement and the values of Orthodox Judaism in Melbourne and, indeed, throughout Australia. Like all great spiritual leaders, they have done this primarily through personal inspiration and example. I know from my own experience the esteem in which Rabbi Groner is held by all in the Melbourne Jewish community, orthodox or otherwise, and indeed by many people who are not Jewish. A fine volume, truly a historical document, contains many tributes from an extraordinary range of people and is testimony to Rabbi Yitzchok Groner’s personal stature, as was the classy video prepared by Chaim Melman encapsulating some of the live moments of film of Rabbi Groner’s life.

Rabbi Groner’s esteem is enhanced most of all by the institutions he has fostered. When he arrived in Melbourne, he saw a community increasing in size due to postwar immigration and he gave very strong support to Jewish education, in order that the community would be able to survive in a secular society such as Australia. His great personal achievement has been the flourishing of Yeshivah College and Beth Rivkah Ladies College, two of the most highly regarded Jewish schools in Australia or anywhere, which today educate 1,500 students. Perhaps a small sign of the respect in which he is held is that the chief sponsor of the function that night, Mr Richard Pratt, gave a speech in Yiddish commending Rabbi Groner’s activities. Now there is a chain of similar schools across Australia, and a further result of Groner’s influence has been the education and training of a whole generation of orthodox rabbis, who today occupy the pulpits of synagogues across Melbourne and, indeed, all around Australia. As he said at the dinner, this is not
a takeover but motivated out a desire to serve and instil Yiddishkeit in a new generation.

Today the Lubavitchers are the most dynamic influence on Australian Judaism, and Rabbi Groner stands at the head of a community of many thousands of adherents. He is a great scholar, a great preacher, a great educator and a great inspiration to all who meet him. His influence reaches far beyond the Lubavitcher community into all corners of Australian life, and even an imperfectly observant Jew like me has felt his inspiration. I am very proud to consider Rabbi Groner as a friend and adviser, and to honour his lifetime of work on behalf of the Australian Jewish community. Might I say that the book put out on his birthday includes commendations from many in Australian public life, from the former Premier of Victoria Sir Henry Bolte through to the current Premier, the current Prime Minister and the current Leader of the Opposition. It was a great function, and he is a great man, a Talmud chacham.

Roads: Funding

Mr RANDALL (Canning) (7.45 p.m.)—The issue I wish to raise this evening is of a breach of faith which has cost lives. It is to do with a major suburban road in my electorate—Nicholson Road, which runs through Canning Vale. To turn it into a safe road, $1.6 million is needed. Sadly, Nicholson Road, between Garden Street and Hughes Street, is basically a goat track. It is a single-lane road on which 20,000 vehicles a day travel. Because of this it is potholed and decaying. For example, the shoulders of the road are such that, if you go off the edge, you have a good chance of blowing a tyre on your car. Interestingly, the road is shared by two local government authorities. On one side is the City of Gosnells and on the other is the City of Canning. As a result, both councils have some responsibility for this major road. Unfortunately, they have been applying to the state government for years for funding to upgrade it, and for years they have been promised the funding by the state government.

We know that the government, led by John Howard, has delivered a magnificent program called Roads to Recovery. This funding goes directly to local councils to support local major roads. But in Western Australia state minister Alannah MacTiernan has pulled $12 million, which is almost equivalent to the amount of money given to the local councils by the federal government to improve the state of local roads. So what the federal government did to improve the situation of local government has been torn away by the state Labor government, led by Geoff Gallop, and there has been no advance in the situation at all. As a result, this road is in a state of disrepair.

On 19 October a young mum coming out of one of the estates which now adjoins this road was killed because she could not see either way because of the condition of the road and the traffic. One of the reasons the traffic is so bad is that it is a designated truck route. I have written to the main roads department and state minister Alannah MacTiernan to have it degazetted as a major truck route and about trucks going along the Roe Highway. You cannot see past a B-double or a semitrailer configuration if you are in a little Hyundai, for example; it is not doable. This is what led to this recent tragedy. The accident numbers for this road are enormous.

The terrible thing is that the local member and the state government are blaming the local council for not fixing the road. I would have thought that—given the accident statistics and the fact that it is a major road and it was designated by the state government as the No. 1 unfunded project in the metropoli-
The State government would be aware of this tragic and urgent situation. However, Paul Andrews, member for the state electorate of Southern River, has tried to put the blame back on the Gosnells City Council. He has urged the City of Gosnells to get on with fixing Nicholson Road. This is a very fast growing area—it is one of the fastest-growing metropolitan areas in Perth. As I said, there are estates surrounding this major road and as a priority you would have thought that the State government would realise the pressures and the growing pains as identified by their own department in this urgent situation.

The road was brought to the attention of many people by two great young men, Murdoch University marketing students Ronan Freeburn and Quentin Tapley, who have formed the Nicholson Road action group. They have rallied the support of locals, taken a petition around and got many signatures to support fixing something not just about the road and its surface but about the linking footpaths, the crossovers and the surrounding areas—where, if you are a disabled person, you cannot even go. I urge the State government to get on with it and help support and fix the road. *(Time expired)*

**Newcastle Electorate: Youth**

Ms GRIERSON *(Newcastle) (7.50 p.m.)*—It has been interesting listening to all our new members make their first speeches and it certainly makes us all reflect back on our first speech in this chamber. I recall that three years ago I shared my experience as a teacher and principal with the youth in the schools of Newcastle. In that speech I praised our young people for their excitement for learning and technology, their talents and creativity, the ideals and values they aspire to and the courage they constantly display to conquer disability and triumph over disadvantage and adversity. I consider it a privilege to represent them, and it is with great pride that I use my first speech in the adjournment debate in this new parliament to share with the House and the people of Australia some of the worthy contributions young people in Newcastle have made to our local community, to the Hunter region and in many cases to the nation.

Firstly, back in September, when we here in the House were somewhat distracted by an election campaign, several young Novocastrians were competing their hearts out, putting their bodies on the line for Australia in the Athens Olympic Games. I would like to acknowledge and thank the following young Novocastrians for their brilliant efforts both in being selected amongst that elite group of sports men and women and for their individual outstanding performances. There is quite a list: Suzy Batkovic, a famous basketballer we were all very proud of and who, during the campaign, we spent many late nights watching; Olivia Gollan, a cyclist; Ryan Griffiths, a soccer player; Mathew Helm, a wonderful diver who distinguished himself outstandingly; Jessica Malone for her performance in judo; Justin Norris, a much loved swimmer in our region—good luck, Justin, with your new family on the way; Joanne Peters, a soccer player; baseball players Jamie Pitman and Ryan Rowland-Smith; Cheryl Salisbury, a soccer player; and Natalie Ward, our very much loved softballer.

To add to those triumphs, Newcastle youth astounded and delighted us also with their Paralympian performances. Prue Watt was an outstanding swimmer and claimed a silver and a bronze medal for Australia. Eleiza Stankovich, a former Young Citizen of the Year of Newcastle, won a silver medal in the Athens 2004 games in the 800 metres wheelchair race. Christie Dawes and Kurt Fearney were also real examples of people triumphing over disabilities to excel as Paralympians.
at Athens. I praise Newcastle for its wonderful support for our young Olympians. It is an outstanding effort from a regional capital.

As for creativity and talent, I was delighted last week to watch the Octapod Association receive a 2004 Community Heritage grant here in Canberra. This time Octapod are using their very advanced digital and media skills to preserve local heritage. They remain the organisers of the largest youth arts festival in Australia. That was another local highlight for our election campaign period, showcasing the city and the youth of Newcastle.

I would also like to congratulate Ellesse Stronach, who at 16 has won a scholarship to study ballet in Birmingham next year. Ballet is one of the arts in which we in Newcastle have a tradition of high achievement. I also congratulate Georgia Lowe, who has been accepted as an associate of the Australian Ballet School.

Something else we are becoming quite renowned for in our region is beauty contest winners, and I congratulate Melinda Lidbetter, who recently won the Miss Philippines Australia competition. Good luck, Melinda, when you compete next year in the international Miss Philippines competition. Jennifer Hawkins has led the way, so I am sure you will follow.

Thanks to Newcastle youth, I remain excited by their love for learning and technology. Lambton High students Rebecca Ball and Callum Hurst won equal first prize in the New South Wales division of the Pathways to Innovation Youth Challenge last month. Young doctor and researcher Nikki Verrillls has just received quite an outstanding award at the recent 12th International Conference on Second Messengers and Phosphoproteins. This is considered the premier world conference in the field of cellular signalling. To be singled out from other contenders from prestigious institutions such as Stanford, Harvard and Dundee universities is a brilliant achievement for Nikki, who presented her work on the discovery of new mutations that cause resistance to chemotherapy in cancer patients. It is something that will benefit the world, we hope.

I would also like to congratulate Waratah West Public School, whose students came first and third in a state environment competition, and I wish students from the Junction school luck in their quest as finalists today in the state chess championships. I would particularly like to praise Hayden Mackaway and Ben Roberts of Waratah West Public School for their best editorial award in our local newspaper competition. The Newcastle Herald newspaper competition is an outstanding one, and I congratulate them.

I could go on, Mr Speaker, as there are many other outstanding youth achievements.

(Time expired)

Smith, Mr Warwick
Payne, Ms Catherine

Mr MICHAEL FERGUSON (Bass)
(7.55 p.m.)—I rise tonight to briefly mention and bring to the attention of the House two important facts that relate to today, 1 December 2004. In actual fact I only discovered this first fact today, and it concerns the previous federal Liberal member for Bass, Mr Warwick Smith, who was in the gallery this afternoon listening to question time until it was cut short. Twenty years today to the day was the date of Warwick Smith’s election to Parliament in 1984, so I thought it prudent for me to summarise some of Warwick’s great achievements. Warwick Smith was certainly well known as a local member and as a very friendly, affable person. He was really quite loved by the local community. He got things done. He worked on outcomes. He believed in delivering for his local community. As I said in my first speech two weeks...
ago, Warwick Smith was the person who, through his character and his reputation as the local member, taught me that Launceston was not just another city of Tasmania but actually a provincial capital of the region that I continue to call northern Tasmania.

Warwick Smith was first elected to parliament as the member for Bass on 1 December 1984 and was re-elected in 1987, 1990 and 1996. He followed the very successful and well-known Kevin Newman, formerly a colonel in the Army. Warwick Smith held shadow portfolio roles in science, energy, Aboriginal affairs, privatisation and communications and he was also Manager of Opposition Business in the House of Representatives. Mr Smith also undertook parliamentary inquiries into corporate law, shareholder rights, media issues and infrastructure matters. In 1996 he was appointed Minister for Sport, Territories and Local Government and was also Minister Assisting the Prime Minister for the Sydney 2000 Olympic Games.

Warwick Smith lost his seat in 1993, so from 1993 to 1995 he was Australia’s first telecommunications industry ombudsman, responsible for establishing the national office based in Melbourne. During a period of consultancy work he advised legal and accounting firms on IT and telecommunications and privacy issues. Prior to his political career he was a young hotshot lawyer practising in one of Tasmania’s oldest legal firms, Douglas and Collins, specialising in commercial law. Since Warwick was unsuccessful in regaining his seat in 1998 he has been working as an executive director of Macquarie Bank.

I have spoken of Warwick as a man of the past, but of course he is nothing of the sort. I do not wish to eulogise him as if he is no longer with us but he is someone who to me is a great role model for the kind of local member that I would like to be in this chamber, certainly in terms of getting results and delivering for my community. The best example I can think of in terms of material or concrete benefits to northern Tasmania is Inveresk Precinct, including York Park, which has today become the very well-known home of football in Tasmania. Many millions of dollars under the Howard government have been acquitted there and it really has been the impetus and the catalyst for a lot more development that has followed, including the Queen Victoria Museum and Art Gallery, as well as being the future home, hopefully, for a campus for the University of Tasmania.

In my last minute I would like to pay tribute also to a young constituent, a year 9 student from Launceston Church Grammar School, Ms Catherine Payne. She was named Tasmanian young historian of the year for her research essay ‘St Matthias Church, Windermere—the church’s history and involvement in the celebrations of the community around it’. Today she was also named the National History Challenge young historian of the year.

The SPEAKER—Order! It being 8 p.m., the debate is interrupted.

House adjourned at 8.00 p.m.

NOTICES

The following notices were given:

Mr Costello to present a Bill for an Act to facilitate James Hardie investigations and James Hardie proceedings, and for related purposes. (James Hardie (Investigations and Proceedings) Bill 2004)

Mr Andrews to present a Bill for an Act to amend the Workplace Relations Act 1996, and for related purposes. (Workplace Relations Amendment (Fair Dismissal Reform) Bill 2004)
Mr Andrews to present a Bill for an Act to amend the Workplace Relations Act 1996, and for related purposes. (Workplace Relations Amendment (Right of Entry) Bill 2004)

Mr McGauran to present a Bill for an Act to establish the Australian Communications and Media Authority, and for related purposes. (Australian Communications and Media Authority Bill 2004)

Mr McGauran to present a Bill for an Act to amend laws, and to deal with transitional matters, in connection with the Australian Communications and Media Authority Act 2004, and for related purposes. (Australian Communications and Media Authority (Consequential and Transitional Provisions) Bill 2004)

Mr McGauran to present a Bill for an Act to amend the Broadcasting Services Act 1992, and for related purposes. (Broadcasting Services Amendment (Anti-Siphoning) Bill 2004)

Mr Downer to present a Bill for an Act to provide for Australian passports, and for related purposes. (Australian Passports Bill 2004)

Mr Downer to present a Bill for an Act to provide for transitional and consequential matters relating to the enactment of the Australian Passports Act 2004, and for related purposes. (Australian Passports (Transitional and Consequentials) Bill 2004)

Mr Bruce Scott to move:

That this House:

(1) notes that:

(a) international observers, including the International Election Monitoring Mission of the Organisation of Security and Co-operation in Europe (OSCE), have reported that the recent presidential election in Ukraine has fallen well short of international standards;

(b) reported irregularities include suspiciously high voter turnout in several regions, the fraudulent use of absentee voting, intimidation of voters at some polling stations, abuse of state resources, and overt media bias;

(c) in such circumstances the officially declared results of the election cannot be taken to properly represent the will of the Ukrainian people; and

(d) a resolution to the current political crisis in Ukraine can only be achieved through a new election which is conducted in a transparent manner that meets international standards;

(2) calls on the Government of Ukraine to:

(a) ensure the safety and welfare of all its citizens, including those taking part in peaceful demonstrations as part of the exercise of their democratic rights; and

(b) hold a new presidential election based on democratic principles that:

(i) ensures absentee ballots are cast in a free and democratic manner, and are not subject to abuse;

(ii) allows both presidential candidates equal and unbiased access to the mass media of Ukraine in the period leading up to the new election date; and

(iii) ensures that international observers participate at all levels of the election process to achieve a result that is acceptable to all parties;

(3) requests the Speaker to transmit this resolution to the outgoing President of Ukraine Leonid Kuchma, the Parliament of Ukraine and the Ukrainian Ambassador to Australia; and

(4) urges the Australian Government to make further representations to the above effect.
The DEPUTY SPEAKER (Hon. I.R. Causley) took the chair at 9.55 a.m.

STATEMENTS BY MEMBERS

Fowler Electorate: Vietnam War Memorial

Mrs IRWIN (Fowler) (9.55 a.m.)—Last Sunday should have been a proud occasion for the Vietnamese community in south-western Sydney. A long-planned ceremony to mark the raising of the freedom and heritage flag at the Vietnam War Memorial in Cabramale Park was planned. The memorial is one of very few in Australia which commemorate the service of Australian forces in the Vietnam War. The memorial has two bronze figures. One is an Australian soldier and the other is a soldier of the army of the Republic of Vietnam. This fine memorial was dedicated in 1991 by the then Governor of New South Wales, Peter Sinclair. Earlier this year the New South Wales chapter of Vietnamese Community in Australia approached Fairfield City Council, proposing to jointly meet the cost of erecting two permanent flagpoles at the memorial. Council erected the flagpoles and last Sunday’s ceremony was planned to mark the raising of the Australian flag and the freedom and heritage flag of the VCA. I should point out to the House that the freedom and heritage flag consists of three red stripes on a yellow ground and is therefore similar to the flag of the former Republic of Vietnam, or South Vietnam.

Apparently word got out about the raising of the flag and concern was expressed by the government of the Socialist Republic of Vietnam through our embassy in Hanoi and also through their embassy in Canberra. As a result, Fairfield City Council was advised by DFAT that it was not the practice of the Australian government to fly the flag of former nations. Similar concerns were expressed to council by the office of the New South Wales Governor and the office of the Premier of New South Wales. Who would have believed that flying a flag in Cabramale Park would create an international incident! But Fairfield City Council was placed in the awkward position of meeting the request of a large and important local community in the face of strong pressure from governments.

Before making representations to council I checked with the Vietnam Veterans Federation, which had no objection. While council has allowed the flag to be flown on special occasions, it has not approved it to be flown on other days of the year. This has left the Vietnamese community very upset and angry. It is entirely appropriate that the yellow and red flag be flown at the Vietnam War Memorial. Many members of the community fought side-by-side with Australian forces. They have the right to fly their flag, honour the sacrifice of their fallen comrades, be proud of their heritage and hopeful for their future.

Fisher Electorate: Mooloolah Native Nursery

Mr SLIPPER (Fisher) (9.58 a.m.)—I want to praise the cooperative effort between the well-known company Readymix and Mooloolah River Waterwatch and Landcare. Readymix has been able to lease to Mooloolah River Waterwatch and Landcare an area of land which is being used as a native plant nursery. The Howard government is the greenest government in Australia's history. I must say that all of us in our community now have a consensus about the importance of protecting our environment for future generations. Part of this protection of course involves the propagation of native plants and the improvement of our waterways. It
I must say that I was particularly pleased to be part of the launch of the Mooloolah Native Nursery and Readymix Mooloolah open day. There was a lively feast of music including Incognito, Doc Span and Paul Clement. Workshops and displays included a frog pond demonstration, a Caloundra City Council weed display and bird habitat box displays, among others. There were free bus tours which left the nursery for Readymix, where a treasure sandpit for children, lucky door prizes and giveaways added to the fun of the open day. I have to say that I was really impressed with how a leading Australian company worked with the waterwatch and landcare group to protect their environment. I want to praise both Readymix and Jan Kesby from Mooloolah River Waterwatch and Landcare for a wonderful day that was a very real success.

Mr GAVAN O’CONNOR (Corio) (10.00 a.m.)—The Agriculture, Fisheries and Forestry Legislation Amendment Bill (No. 2) 2004 is the second major piece of legislation designed to implement the recommendations of the Keniry inquiry, which was set up in the wake of the Cormo Express fiasco. The review of the livestock export sector, undertaken by Dr John Keniry, made a number of recommendations that focused on strengthening the regulatory framework for the sector. Most of those changes were contained in the Agriculture, Fisheries and Forestry Legislation Amendment (Export Control) Bill 2004. Labor amended that bill to strengthen the accountability of the industry through the minister to the parliament and to the wider Australian community.

The Agriculture, Fisheries and Forestry Legislation Amendment Bill (No. 2) 2004 is designed to give effect to the second aspect of recommendation 2 of the Keniry review:

Industry should be responsible for research and development and management of quality assurance systems to support its members to translate best practice standards into outcomes consistent with best practice:

- its activities should be funded by compulsory levies.

This bill provides a legal framework for the collection and disbursement of a new compulsory levy which will fund the research needed to drive improvements in this industry and in the way it conducts itself—especially research into ways of ensuring the ongoing welfare of the animals being shipped and traded. This bill is similar to the one that was introduced by the government in August but which failed to get through all stages in the parliament before the election.

The previous bill that was submitted by the government was referred to the Senate Rural and Regional Affairs and Transport Legislation Committee for a thorough examination. The legislation we have before us today in the Main Committee incorporates the sensible recom-
mendations made by that committee. Once again, Labor has been able to use the processes of this parliament through the Senate committee system to improve legislation put forward by this government. In the end, the recommendations of the committee were supported by both Labor and coalition members of the committee, and the government has incorporated most of the recommendations of that Senate committee in the bill that we have before us today.

The bill provides the basis for introducing greater flexibility for the disbursement of funds derived from the collection of compulsory levies by allowing for an industry organisation representing livestock exporters to be determined as a marketing body and as a research body for the purposes of receiving revenue derived from a compulsory levy applied to the livestock export sector, and by enabling the matching funds provided by the Commonwealth for research and development to continue to be provided to an industry research body. It is expected that the minister will determine LiveCorp as the industry marketing body and as a research body for the purposes of receiving revenue derived from the compulsory levy.

This bill will allow the compulsory levies to go directly to that body. LiveCorp would then decide how those funds would be used, within parameters set up by the legislation and subject to the statutory funding agreement. In the past, most research in this industry has been channelled through Meat and Livestock Australia. While, under this legislation, LiveCorp will now be responsible for its own research and development and will be accountable for it, it is expected that much of its research and development will continue to be channelled through MLA. This is because only MLA and not LiveCorp is eligible to receive dollar for dollar matched Commonwealth funds for research.

In its explanatory memorandum, the government has stated that it does not anticipate that these new arrangements will result in any increase in the matching Commonwealth funding for MLA. The government has based this assumption on the premise that LiveCorp is unlikely to increase the contribution it makes to MLA above the current level derived from existing voluntary levies. In evidence given to the Senate inquiry, Commonwealth officers offered the view that the limitation on the Commonwealth’s dollar for dollar matching funding for MLA research and development is an incentive to keep contributions at current levels and not to increase them.

If we look at the bigger picture in this whole agricultural industry services area, since 1996 the Howard government has privatised the research and development functions of key industry sectors in agriculture, including the meat, horticulture, wool, pork, egg and dairy industries. We on this side of the House have not opposed these privatisations outright, but we have objected to the minimal accountability arrangements proposed by the government. Labor amendments have strengthened some accountability arrangements, including, with respect to the dairy industry, the tabling of the industry owned company annual report and financial statements related to levy and matching payments expenditures.

We need to keep in mind that these particular bodies are in receipt of significant public moneys. In the early stages of the development of these statutory funding agreements, there were significant structural weaknesses in the statutory funding arrangements that were being proposed by the government. Industry owned service bodies are directly accountable to industry members under Corporations Law. However, they are also accountable to government through a funding contract specifying requirements, including audit, access and reporting obligations.
The accountability provisions now included in this bill are at least equivalent to similar measures Labor and the minor parties have forced on the government, such as those that now apply to the operation of Dairy Australia. We on this side of the House were not satisfied that the accountability measures included in the similar bill presented to the previous parliament did measure up to the standards that we have insisted upon in the past for bodies such as Dairy Australia. That is one of the reasons why we referred that bill to a Senate committee, and of course that Senate committee has made recommendations relating to the statutory funding agreement and to the tabling of LiveCorp’s annual report in the parliament by the minister. These particular accountability requirements came out of recommendations that were made by the Labor Party and coalition members on that particular committee. It is a matter of public record that the Democrats opposed this particular trait and opposed those particular recommendations at the time. However, they were supported by government members who saw the wisdom of tightening up the accountability arrangements in this particular piece of legislation.

I find it quite extraordinary, and it just amazes me, that with all its recent experience with similar privatisations the government tried to foist the original bill on the industry and on this parliament. We all know that the incompetence of the Minister for Agriculture, Fisheries and Forestry in this area knows no bounds. Single-handedly, his incompetence almost brought this industry to its knees. Of course, we have had the Deputy Prime Minister admitting that government policies in relation to this particular area of policy have failed and have gone off the rails.

That is a scathing indictment not only of the minister but also of the government that he represents, because when the red meat industry comes into disrepute in the eyes of the public over animal welfare issues it really does cast a shadow over the whole industry. When I get around to farmers, as I do in this portfolio area, and when I talk to industry leaders, they are aghast and appalled that a minister of the Crown could let the situation in the live export area drift to the extent that the whole red meat industry’s reputation was called into question in the wake of the MV Cormo Express fiasco.

We all know the particular incident, and we know that on that particular voyage the larger issues dealing with animal welfare and mortality rates in this industry were not so much an issue mutually, on the voyage itself. There were particular circumstances in the Middle East and actions of government that exacerbated a difficult situation. But when you go back and look at the history of the industry, the lead-up to the particular incident was where we saw the monumental failure of policy and the incompetence of the minister. That is what has got so many red meat producers angry—angry that their livelihood and reputations have been besmirched because of the actions of a few live exporters who have failed to maintain the integrity of the standards one would expect from a civilised agricultural producer like Australia.

When I spoke to those representatives some five years ago, in the early days when I took on this portfolio, I put the live exporters on notice that either they cleaned up their act or I would clean it up for them if we ever got into government. I made it quite plain to them that better standards were expected of them in an animal welfare sense. Most red meat producers in this country are acutely aware of the need to maintain appropriate standards of animal welfare which meet community expectations. Most of them do it day in and day out on their farms and further up the value-adding chain. Therefore, it is a greater disappointment when...
they come to the highest levels of government, where regulatory frameworks are put in place, that a minister is so incompetent and fails so miserably to insist on appropriate standards, puts the trade in jeopardy and puts the reputation of red meat producers generally in an unfavourable light.

There is an increasing awareness in rural communities generally and in the red meat sector that appropriate standards of animal welfare are now being insisted upon by the Australian community and that this issue will overtake those communities and the red meat sector if action is not taken now to insist on the highest standards in every dimension of production and trading arrangements in this sector. That is the reality of a red meat producer’s situation today. I think farmers appreciate it, and that is why they insist on these standards on their farms. It is disappointing when we see elsewhere in the value-adding chain that people do not meet their particular responsibilities.

Labor has always insisted on strong and appropriate accountability mechanisms for moneys collected as compulsory levies and where matching Commonwealth funding may be involved—even if, as in this case, that matching funding comes indirectly through an organisation. We will continue to insist on appropriate accountability arrangements. That is why I was staggered when the government introduced this legislation. Having had the benefit of experience over many, many years of debating these new structures in this parliament and having had the Senate committee system examine deficient legislation that has come out of the minister’s office and from the government on these matters, the government then comes onto the floor of the parliament again with a bill that fails to address some fundamental accountability arrangements for this sector. In doing so, it fails the genuine live exporters and it fails the red meat industry. That is the reality.

Here we are again going through a process whereby we put this legislation to the scrutiny of a Senate committee. At last we have got in the legislation recommendations that were agreed upon collectively by Labor and coalition members of that committee. If that does not tell the minister something, it ought to. Of course, it leads one to question what will happen to these sorts of issues once 1 July comes around and the government has command of the Senate. On our side of the parliament, we will be watching those developments with interest, but I do have some confidence—not in this National Party minister, who has failed the red meat industry, but in the Liberal chairman of that committee, because on most occasions when I have had cause to deal with him on these matters, he has been able to put the interests of primary producers above partisan politics, consider the issues and bring his considerable expertise to bear on these matters in the interests of farmers.

Whilst I have no confidence in the minister and neither do many primary producers, because he has essentially lost control of his portfolio, looking to the future we are relying on the goodwill that had been built up in that Senate committee process to ensure that these matters are appropriately examined in a bipartisan way in the interests of primary producers. Let me put on the public record that we on this side of the House will cooperate in a genuine way with the Liberal chair of that particular committee to ensure that primary producers’ interests are represented. I have no confidence that the minister has any control of this particular area of policy, because his past performance speaks for itself. Almost single-handedly, his incompetence nearly brought this trade to its knees. Indeed, as a result of his incompetence there are
now large and significant questions being asked in the public arena about whether this trade should continue.

If public debate moves against the trade to the extent that public pressure restricts the trade, nobody needs to come back to the opposition, because we have done everything in our power to ensure that there are appropriate accountability arrangements in the legislation for the benefit of genuine live exporters and in the interest of the community. It has been the minister’s incompetence that has raised the stakes in the public arena. The blame must be sheeted home and placed at the feet of a National Party minister who in many areas of policy has lost control of his portfolio.

It is a matter of public knowledge now that the Prime Minister is running the water debate. During the election, we had the unseemly situation of the Minister for Trade stealing Labor’s dairy policy and, what is worse, making announcements on it. We have seen in the live export area the Deputy Prime Minister taking the lead and taking the running on the issue. The current minister has been sidelined. I have many dealings with the minister. Essentially, he is a decent man. But you have, Minister, responsibilities in your portfolio that you cannot avoid and walk away from, and this is one policy area where your incompetence has put the whole trade in jeopardy.

I am pleased that the Senate committee recommendations have been picked up in this legislation. It is important that we get a piece of legislation that is consistent with the standards that are being applied in all other areas of policy. Sensible recommendations have been picked up and placed in this legislation. The red meat industry can be thankful for the good work that was done by our Senate colleagues and the fact that in the past the opposition has insisted that these standards be rigidly applied and proper transparency and accountability arrangements be the order of the day for this parliament.

Mr TUCKEY (O’Connor) (10.22 a.m.)—This is an interesting piece of legislation. The previous speaker, the member for Corio, seemed to imply that it carries a lot of things that it does not. The Agriculture, Fisheries and Forestry Legislation Amendment Bill (No. 2) 2004 in the first instance provides a change to longstanding principles whereby in this case the minister will be able to direct compulsory funds—or the matching funds provided by government to voluntary levies—to more than one industry body in the particular industry involved. There is a need for that that I will touch on shortly. That particular decision, overlooked in the original legislation, is not surprising. It has never been the practice of governments, Liberal or Labor, to operate in that fashion, but there were needs in this regard. Those needs have been recognised, and the government brings a simple amendment to the House to resolve that matter.

In terms of the sort of aggrandisement of the recommendation of the Senate committee that the member for Corio provided, that is in fact a simple recommendation that has been accommodated by the statutory requirement to be placed on the minister to table the livestock export body’s annual report. That is a worthy recommendation, but it is hardly earth-shattering. Of course, once it was drawn to the attention of the minister—who was called incompetent about 50 times by the member for Corio—the matter was corrected, and so it should have been. Transparency is something with which we all concur. But I think it quite remarkable to have this carry-on about the competence of the minister.

Furthermore, he made comment on the appropriate standards for animal welfare, and made a clear inference that the industry and those who provide sheep to the exporters do not follow
them. There is no evidence of that whatsoever. In fact, it has been clearly demonstrated statistically, for instance, that the mortality rate of live sheep or cattle being exported has been in steady decline. I am disappointed that I could not lay my hands on a bar graph that I did have in my bag for quite some time. As I recollect, it showed the mortality rate for live sheep exports at below one per cent—which would probably be less than what would occur in a normal farming situation—and for cattle it was something like 0.03 per cent. Unfortunately, we do have mortality in the farming industry out in the paddock for a variety of reasons and some mortality will always occur when sheep are being transported.

The issue of community concern has been the gross misrepresentation of this trade by the media. There is no greater offender than 60 Minutes, which we know was quite prepared to produce 10-year-old morgue film relating to how animals were treated on their arrival in another nation—not during the process of live export, but when they got there. Of course, the clear inference was that the Australian people should not be selling animals to these people. They are sovereign countries. They have religious rites relating to the slaughter of animals with which many of us would not concur. They have a need for live animals because their refrigeration and other meat-handling facilities are not up to standard to carry the large number of animals they require. We see media coverage on this from time to time from around the world. The last one I remember was on a cooking show about meat being sold somewhere in China. The meat was hanging up in the open, as it does in many of those countries. That is their tradition, and it is not for the member for Corio to suggest otherwise.

Nevertheless, over the years there has been extensive negotiation between governments on this matter concerning what happens to the animals after their arrival. There is nobody in this place who believes—and I am sure neither the member for Corio nor his leader believes this—that they should be able to legislate about what happens in Kuwait, Saudi Arabia or Jordan. Of course they cannot, and the reality is that that is a problem with which we have to deal. Furthermore—and he did at least make reference to this—the issue that enraged the Australian people was better known as the Cormo Express. The Cormo Express was kept at sea at the wrong end of its trip, if one might say that, in terms of temperature and all those things. In fact it was stopped, when movement was required to provide the vessel with a degree of ventilation. The reality was that 10 per cent mortality occurred with the sheep that were locked up in those circumstances for some months, I think—or certainly for over one month. They were shipped around the place until they could be unloaded in Eritrea. Anybody who holds that particular journey up as an example of what is normal practice in the export of live sheep is misleading this House. It is outrageous. It was a set of circumstances that nobody wanted.

Let me add that the government of course immediately cancelled again—

Mr Danby—Mr Deputy Speaker, I seek to intervene.

The DEPUTY SPEAKER (Hon. I.R. Causley)—Will the member for O’Connor accept a question?

Mr TUCKEY—Certainly.

Mr Danby—Can the member for O’Connor tell me the rate of mortality for the sheep on the MV Cormo Express? Did the government have an understanding with the end users that they would be taken off the ship? Why was that undertaking not fulfilled?
Mr TUCKEY—I cannot say whether the dead sheep were taken off the vessel. I just do not know the answer to that. But I have just mentioned that my recollection is that the total mortality rate was 10 per cent, which in the circumstances is surprising. In the circumstances, I would have expected a much higher mortality rate. It is, if anything, an endorsement that the vessel had quite a reasonable level of accommodation for the transport of livestock. It is a vessel that is designed to carry sheep from Western Australia to the Middle East, where it is anticipated that they will be unloaded immediately the vessel is berthed. When I look at what the circumstances were, I am reminded of a comment from a person on that vessel—who I thought was a veterinarian, but maybe not. He said that he knew they were in trouble as the vessel was being tied up, because there were no trucks waiting on the wharf, which was traditionally the arrangement.

In other words, the arrangement by which these sheep are exported is that they are loaded expeditiously, the vessel goes to sea where it functions in the best form, and on arrival they are unloaded expeditiously. With the Cormo Express that did not happen. The member for Corio has reminded us that that was something quite different. Let me say that unless we have an arrangement, as I hope is being negotiated, for a quarantine facility to which we have guaranteed access and where any disputes as to the livestock’s health can be resolved by getting the sheep off the vessel then we should never return to exporting to Saudi Arabia.

By comparison, the circumstances in Kuwait have been that we have never had a delivery rejected. Is it not amazing that we apparently only select unhealthy sheep to go to Saudi Arabia? Clearly, statistically, that is an impossibility. I think we have to realise that this trade has become quite sophisticated. The quality of the vessels has greatly improved. But in response to community concerns, the government has taken a voluntary code, with some additions, and has made it into legislation so that it can be administered by government officials. Let me repeat that this legislation relates only to two or three issues. The first and most important one is that the minister will be entitled under this legislation to distribute funds accumulated in various ways to a variety of recipients rather than to one recipient, which has been the traditional arrangement.

It is a real problem at the moment that activists believe they can take commercial responses to the way in which we handle our livestock here in Australia. I refer of course to the PETA people, who have attacked live export. They would not know anything about it. Some English woman living in America is apparently their spokesperson on these matters. They go to a firm—is it Abercrombie and Fitch?—and say to them, ‘We’re going to walk up and down in front of your shop and we’re going to take out advertisements that say that you are cruel to sheep because you sell wool clothing.’ How Abercrombie and Fitch, in the first instance, would have been able to establish that the clothing they sold was manufactured from Australian wool is beyond me. Furthermore, unfortunately, very few times do you buy a woollen suit in America, relative to their turnover.

Interestingly enough, I might add that 65 per cent of our wool goes to China—in particular the higher microns—and the reality is that they have just had controls placed on the export of their socks to America. They have been attracting so much of that market that America has applied one of the provisions available under the WTO to slow down the exports. In other words, while everybody is worrying about Abercrombie and Fitch, who do not sell wool suits in any quantity worth mentioning, the average citizen of America is buying socks that no
doubt, to a high percentage, contain Australian wool. I bet they will not stop buying them be-
cause of the threats of PETA, who want to get in amongst the American or the European elite
and attack us.

I was disappointed that the farming and wool growing industry responded in the way they
did on those matters. I support their efforts to have less intrusive means of protecting sheep
from flystrike. But to suggest that you stop the process until you have something better shows
that you have never seen a flyblown sheep. It is in fact true animal cruelty. Isn’t it amazing! I
know what I would have done as a response. I would have been walking some of those sheep
up in front of Abercrombie and Fitch’s premises to let them have a good idea of just what is
cruel and what is mildly cruel. That is one option that is left.

But there is another thing in all of this. I am not sure whether they are still sponsors of 60
Minutes, who blatantly misrepresented the circumstances of this. I do not know whether it
was a bit of self-aggrandisement or to pick up on a few things. I think one of their presenters
has a hang-up about this issue. The last I heard was that the firm Toyota, which would rely
heavily on the agricultural sector and the prosperity of sheep producers to market its products,
was sponsoring that program. I have told my constituents, while we are in the business of
starting to put bans on people’s business, that they had better start looking at who sponsors
these particular shows that so aggressively attack our industries. Mr Deputy Speaker Adams,
you know that they have done so with the Tasmanian forest industry in an equally blatant and
misrepresentative fashion.

It is worth noting and passing on to people who want to parade up and down in front of re-
tail premises some advice given to me as forestry minister by the then national president of
the world rainforest growers association. He said: ‘Do you know why all of that smoke is
pouring out of Sumatra, blacking out Malaysia and creating all of these problems? The green-
ies went to the major timber retailers of the world and campaigned in front of their premises
to save the rainforests.’ So the people of Third World countries who were getting a revenue
from sawn timber through a process that has never destroyed a forest have gone and knocked
the whole lot down, burnt them out and replaced them with palm oil. Of course, nobody walks
up and down in front of McDonalds and says, ‘Don’t buy this product because it is cooked in
palm oil.’ Yet that has destroyed a rainforest and is doing so progressively within Brazil and
Indonesia every year. You can go in with a chainsaw and you might even clear-fell but, unless
there is massive soil erosion or something, which should be prevented, the trees will grow
back. But if you rip all of the roots out and replace them with palm trees, you will see how
much rainforest grows there: absolutely none. This is how stupid these people are.

They forget another great principle, which is that national poverty is the greatest threat to
the environment. When you destroy a nation’s opportunity to invest, produce and export, peo-
tle take very little care of their livestock, forests and everything else. You do not have to
travel too far from Australia to see exactly that. So the sort of negative attitude that is applied
is that we should not export these sheep. For a start, if we do not have enough meatworks op-
erating in Australia, any move to interfere with the flow will cause the price to collapse. Fur-
thermore, the Middle East will go on buying from Somalia or somewhere else which, maybe
unfortunately, deals with the animals in exactly the same way. But there is plenty of evidence
that, as a result of our entreaties and those of others, even that particular aspect of the live

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sheep trade has improved dramatically. So, all in all, I welcome this legislation. It is a sensible response to changing circumstances. In fact, LiveCorp will do a good job.

Let me say in the minister’s presence that I welcome the negotiations we have, but I must pass on to him a criticism that I frequently hear from those who deal with the Middle East in marketing their products. We do have to conduct our negotiations more at ministerial level. I appreciate the minister’s heavy workload, but the message that constantly comes to me from the people I represent is that, to use an Australian colloquialism, the people over there prefer the organ grinder to the monkey. I do not make the allegation that our officials who travel over there are monkeys. But there is a clear example. These people have their own traditions and they have a lot of princes and others who are given responsibility in these areas. They want us to negotiate at that level and I hope we will.

I am firmly of the view, and I have said so in my local media, that it is pointless going back to Saudi Arabia until we have approved on-land quarantine facilities where, if there are any questions over the health of the animals we deliver, they can be off-loaded from the vessel. It is obvious that, as with the use of trucks and other treatments of animals, they are not perfect. Yet they are a necessity for trade—particularly for a country like Australia, which is a continental island and a long way from so many of its customers.

I totally support the live sheep trade. I criticise people, including the media, who use emotionalism and arrant misrepresentation to put a slant which is not supported by the statistics on this trade. As I said, on my last reading the mortality rate for live sheep exports is somewhere below 1 per cent, and it is something like 0.03 per cent for cattle. Those are the points I wish to make. I support these particular initiatives, including, of course, the statutory requirement for the minister to table the livestock report. I do not think that the industry has anything to hide. I think that generally they do a good job. There may be other examples from time to time but nothing compared to the threat to the livelihood of many farmers from a fellow chucking ham around in feeders. I think that is what should be reported and prosecuted.

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (10.42 a.m.)—I thank the members who have contributed to today’s debate on the Agriculture, Fisheries and Forestry Legislation Amendment Bill (No. 2) 2004, the shadow minister for agriculture and fisheries and the honourable member for O’Connor. I think the honourable member for O’Connor has made a very substantial contribution to this debate, and it is a pity that his comments were not heard by a wider audience. I am sure that he will make sure that some of the comments he has made do receive wider exposure. He did make a number of points that I think are very important in this debate and need to be heard in the wider context.

As honourable members will be aware, the MV Cormo Express incident led to the government setting up the Keniry inquiry, which has provided a comprehensive set of recommendations designed to restore confidence in the live animal export industry. Many of these measures are now in place, including important changes to the regulatory regime for the control of livestock trade through the Australian Quarantine Inspection Service. These amendments to the Australian Meat and Live-Stock Industry Act 1997 that the House is considering at the present time put in place the industry structures and funding arrangements that are needed so that the live animal export industry will be responsible for research and development and management of enhanced quality assurance systems. They put in place a livestock export marketing body and a livestock export research body to receive the funding raised through the
customs charge on live animal exports. That body will be LiveCorp. Meat and Livestock Australia Ltd remains as the industry research body and the industry marketing body for the whole of the red meat industry. It alone will receive dollar-for-dollar eligible matching government research funding.

Mr Speaker, as you are aware, this bill has already been passed by the House of Representatives—in the previous parliament. It has come back again because there was insufficient time before the election for it to pass through the Senate. The Senate did spend some time on a committee review of the legislation, which made one or two relatively minor amendments. I think these amendments will add to the bureaucracy associated with these arrangements. The original accountability measures were strict, and I think they would have been satisfactory for the purpose.

However, I have accepted the Senate Rural and Regional Affairs and Transport Legislation Committee’s recommendations that, in addition to the other accountability procedures that were already in place, the body’s annual report, the funding agreement between LiveCorp and the government, and a statement of compliance with the conditions of the funding agreement will all be tabled in the parliament. The changes to the legislation incorporate those arrangements.

Mr Danby—Mr Deputy Speaker, I seek to intervene.

The DEPUTY SPEAKER (Hon. D.G.H. Adams)—Is the member for Wide Bay willing to give way?

Mr TRUSS—Yes.

Mr Danby—I just wanted to know whether you are going to take up the suggestion just made by the member for O’Connor that no further live sheep exports be undertaken to Saudi Arabia until they have satisfactory quarantine arrangements on the ground on the other side?

Mr TRUSS—That has been the government’s stated position for quite some time now. In fact immediately after the Cormo Express incident shipments to Saudi Arabia were suspended. I made statements at the time that there would be no resumption of the trade until we were satisfied that sheep could be successfully unloaded in that part of the world in the event of there being a dispute in the future. That clearly includes a provision for there to be a satisfactory quarantine facility to take the animals, even if it is only on a temporary basis, while any issues in dispute are resolved. We have also indicated that we would require a memorandum of understanding at a government level to underpin whatever new arrangements were put in place to assure the safety of the trade, should it resume. The Saudis have indicated to us that they are making substantial progress in relation to the construction of suitable quarantine facilities and that they may be available quite soon. However, we would still require the development of a memorandum of understanding to make sure that there are arrangements in place so that a repeat of the Cormo Express incident simply does not occur. The comments that the honourable member for O’Connor made are completely in keeping with the policy announcements that the government has made in the past and with my views on the issue.

Returning to the summing up and going back to the provisions in this piece of legislation: LiveCorp will work to ensure its members achieve best practice animal health and welfare. The bill will allow for consistent funding of LiveCorp, the livestock export industry body and the livestock export marketing body. That will serve the specific needs of the livestock export...
industry and help address the criticisms that have raised concerns about the proper conduct of this industry. By providing quality live export measures such as these, Australia is able to maintain a high standard in the international live export trade. The live export industry is an important part of the wider livestock and red meat industry in our country, providing valuable export income for Australia. Indeed, the beef industry and the sheep industry are two of the great icon Australian industries.

I take the opportunity of this debate to pay tribute to a prominent member of this wider industry. I refer to one of the leading figures in the Australian meat industry, Mr Masaru Hinohara, who passed away in Tokyo last month. Mr Hinohara, or Ken as he was known widely around Australia, was a director and finally Chairman of Nippon Meat Packers Australia Pty Ltd and played a vital role in supporting Australia’s primary industries and building our beef export market. Mr Hinohara came to Australia in the early 1980s to establish the company’s trading office based in Sydney. He worked tirelessly to grow the company to become the second largest beef processing and exporting operation in Australia.

The Nippon group has facilities in Mackay, Oakey, Texas, Toowoomba and Chinchilla in Queensland and Wingham in New South Wales. They all provide trade opportunities for Australia and employment for a very large number of Australian workers. Ken’s presence and drive in the industry will be sadly missed here at home and in Japan. He certainly played a significant role in the development of the Australian meat industry over a large number of years. On behalf I am sure of all members, may I express sincere condolences to the Nippon meat group and management and to Ken’s widow and family in Japan.

I commend this legislation to the Main Committee and thank all of those who participated in the debate.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Ordered that this bill be reported to the House without amendment.

SUPERANNUATION LEGISLATION AMENDMENT BILL 2004

Second Reading

Debate resumed from 17 November, on motion by Dr Stone:

That this bill be now read a second time.

Mr FITZGIBBON (Hunter) (10.51 a.m.)—The Superannuation Legislation Amendment Bill 2004 is not as interesting as the legislation just debated by the House—I suspect we will not be hearing any such colourful contributions during this debate as we heard from the member for O’Connor during the previous debate—but it is an important bill. It makes changes to the rules governing the two main superannuation schemes for public servants. They are the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. The bill deals with the determination of superannuation salary: the level of remuneration that is to be used in calculating superannuation benefits on retirement or resignation.

Given the complexity of many of the salary packages for the individuals who will be affected by these changes, it is important that the superannuation salary be properly set, otherwise it creates an opportunity for unjustified windfall benefits. In the absence of legally

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authorised determinations, it is possible for a salary package to be rearranged to the recipient’s benefit and a challenge made to the validity of a determination.

The legislation will affect a small number of superannuation scheme members: senior public servants such as departmental secretaries and statutory office holders whose superannuation salaries for the purposes of calculating benefits on retirement or resignation from the Public Service are determined by individuals or entities other than the schemes themselves. These other individuals or entities include the Remuneration Tribunal, ministers and other office holders in the Commonwealth parliament, and employing bodies that have been authorised to make such decisions by the Remuneration Tribunal Act.

The legislation is needed because the determination of superannuation salary under the current law can only be done by the Remuneration Tribunal. The problem of unauthorised individuals or entities determining superannuation salary has arisen because the Remuneration Tribunal has in some cases delegated its authority, which it was not entitled to do, and because some individuals and entities assumed they had legal authority when they did not. The following two problems arise from the current situation. Firstly, it leaves the government open to litigation over the determination of superannuation salary, because the determination has no authority. Secondly, there is a loophole that could be exploited which results in an employee receiving a superannuation benefit far above that justified by the level of contributions made by that employee during their employment.

This opportunity to exploit the current system arises because the superannuation salary is determined at commencement of employment and is based on the salary package at the time. The setting of the superannuation salary is meant to prevent employees changing the packaging arrangements so that they can cash out at a higher rate of salary that does not reflect the contributions they have made to their superannuation. The lack of legal authority for the determination of superannuation salary means that it is possible for an employee to avoid it and indeed challenge it in the courts. This legislation gives legal authority to these entities to determine superannuation salary and effectively closes that loophole. The legislation includes provision to protect past determinations made in good faith but without proper legal authority. Labor therefore supports the provisions in this bill.

Mr CAMERON THOMPSON (Blair) (10.55 a.m.)—It is a pleasure to speak on the Superannuation Legislation Amendment Bill 2004, dry as it may be. There are some very important principles that we must look at here. The issues, as outlined by my colleague opposite, are important. Public Service superannuation contributors need to have their rights and entitlements properly defined, so it is very important that we have the amendments in this legislation in place to ensure that their super entitlements are well and truly carefully laid out and that all the t’s are crossed and all the i’s dotted.

This legislation is part of the many changes that we need to be pursuing to ensure that our superannuation entitlements and our schemes across the board in Australia are relevant and are able to move along with the times. The obligations the superannuation schemes of various sorts have and the circumstances within which they must work are changing all the time. We must work to address those issues as well as the overall demographic changes as they apply over time. There are, as we know, many significant demographic challenges that apply in Australia. I think superannuation is one area where they apply particularly keenly.
We of course have an ageing population. People are living longer. Both of those factors mean that our superannuation contributions are facing a bigger burden over time. It is important that we provide for the retirement of all Australians. The age pension cannot remain as the staple source of income for people in their older years. The prime source of retirement income must shift, and it must shift to superannuation. We need to protect people’s superannuation savings. We need to create incentives to boost the average pool of super available to retirees, and we need to avoid occasions where super which has been painstakingly saved is subsequently wasted or lost. Lump sum payouts that do not preserve sources of income for the retiree obviously create a hole in the system that has to be picked up somewhere. Naturally, of course, as usual it is the taxpayer who has to come along and pick up the pieces. People need to be able to enjoy their retirement, but people cannot just blow everything on a world trip and expect taxpayers to pick up the tab.

A major problem is the need to make super flexible enough to take into account changes in the economy. Arrangements which were suitable when interest rates were high are no longer suitable when rates are low. If you look across the world, you can see that the economic drivers are many and varied. In Japan, for example, interest rates have been zero per cent for a long time. That is a very different environment, and the types of strategies that people can adopt to provide for their retirement income in that environment are very different. We need systems that ensure that people are able to transit from one strategy to another as the times require. Even the recent surge in the property market that we have seen at home is an example of how changing circumstances can impact on people’s capacity to generate a retirement income. We need flexibility, with basic protection built in. This legislation addresses an important key ingredient in the process.

This legislation makes changes to the two main superannuation schemes for public servants and other government employees. The schemes are the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. The legislation changes the provisions that describe superannuation salary for members of the schemes. As the member opposite outlined before, in describing what is someone’s superannuation salary—that is, your salary for superannuation purposes—you need to be very descriptive and exact. If there is any room for debate about that question, quite obviously that debate can be resolved or can be sought to be resolved through the legal process to the benefit of the employee concerned. It may not have been the intention that was initially ascribed to that salary.

Where the remuneration and other terms and conditions of appointment for these scheme members are determined under Commonwealth acts of parliament, the bill allows those determinations to set their superannuation salary to be determined for their superannuation salary for the CSS or the PSS. The determinations might be made by a minister, the President of the Senate, the Speaker of the House of Representatives, the Remuneration Tribunal or by employing bodies authorised to make determinations under the Remuneration Tribunal Act 1973. The bill validates a number of such determinations which have already purported to have set superannuation salary, when in fact there was no legal authority for this to be done. Of course, it ensures that that any benefit that has been paid or is being paid from the scheme will not be reduced because of this validation.

I will have a look at the Public Sector Superannuation Scheme, just by way of noting what provisions apply. Members can contribute between two per cent and 10 per cent of their su-
perannuation salary, as outlined and described within this legislation, to the PSS Scheme. The percentage rate of salary that can be chosen will help determine the size of a contributor’s retirement benefit, with the lifestyle that they will subsequently enjoy when they leave the work force. The default rate for contributions is five per cent of salary.

There are two basic factors that affect the amount of PSS benefit that a contributor can accumulate. These are a 10-year rule and a maximum benefit rule. Basically, the 10-year rule means that for up to 10 years the employer can contribute a maximum of 16 per cent of superannuation salary, and beyond 10 years an employer can contribute up to 21 per cent of the superannuation salary. The maximum benefit limit that applies does mean that contributions to the scheme, the total amount, can grow to the maximum allowed under the scheme, which is administered by the Australian Taxation Office. So that outlines basically the operation of the Public Sector Superannuation Scheme.

The government has a proud record of supporting flexibility and helping to provide protection for participants in superannuation schemes across Australia. There has been a range of recent initiatives to encourage flexibility. I endorse all those initiatives and encourage the government to continue to strive all the time to refine its legislative program to ensure that we are identifying issues that can assist people and can make the schemes more flexible and more attractive, to ensure that over time we do get a cultural shift—a recognition of superannuation and a willingness to support and rely upon it.

Here are a few examples of things that the government has done to provide improved flexibility within the system. Under the schemes and the changes that the government has introduced, couples who split can now split their superannuation. There is now a superannuation spouse rebate which allows individuals to make contributions on behalf of a low-income spouse. There is now a provision that enables proceeds from the sale of a small business, where that sale is being used to create a retirement income, to attract capital gains tax relief, and that of course provides a big incentive to those recipients and is an endorsement of the very valid process to support those recipients in their retirement.

There is now also a provision under the government’s legislation for low-cost superannuation accounts, which are known as retirement savings accounts. These can be offered by banks, credit unions, building societies and life insurance offices. Obviously, once again the low-cost nature of those accounts provides an incentive and helps to drive interest in superannuation and support for it. There have also been changes in relation to self-managed superannuation funds. These are important because they are small style superannuation funds. In the past, they could be subject to the full prudential requirements applying to larger funds. Quite obviously, that is something which is overly burdensome and negative; it is a huge disincentive for people to engage in those funds. Those requirements have been blotted out. What we have now is a system in which these self-managed superannuation funds are regulated by the Australian Taxation Office under a system that is far more user friendly.

There is dual annual indexation of the Commonwealth civilian super pension. There are 100,000 people involved in that and that twice-yearly indexation in line with the CPI is very important to those participants. A pension bonus has also been introduced. What happens there is that if people defer claiming their age pension and remain in the work force instead they get a tax-free bonus to reward them for making that decision.
Those changes by the government have been very significant. I want to endorse the need for the government to continue to seek changes and to continue to look at provisions, small as they may be within the system. Today, I highlight the example where we are picking up on just one minor deficiency, targeting it and seeking to address the problems within it. I urge the government to continue to pay particularly close attention to the difficulties of and provisions applying within superannuation legislation. I urge the government to continue to refine it and make it more attractive and to continue, over time, to build a more flexible, cost-effective and less bureaucratic system to enable people to provide for their retirement. The government is doing that and it is continuing to develop these various superannuation provisions into the future. On 25 February this year the government released a policy paper to promote further flexibility and to reduce red tape. I urge members to focus on that policy paper and to continue to offer up ways in which to provide even more incentive.

In the 2004-05 budget, a total of $2.8 billion worth of superannuation incentives was announced which are to be introduced over the coming four-year period. Important among those was the inclusion of the co-contribution scheme, under which the government will give $1.50 for every dollar of voluntary personal contributions. That means employees on incomes of up to $58,000 can receive a superannuation co-contribution. It also means that those contributions go up to a maximum $1,500 for employees on incomes of up to $28,000. That range of projected changes has been opposed, particularly the co-contribution scheme, by the Labor Party. The Labor Party has said it wants to abolish the co-contribution scheme. That is obviously a backwards step—we need to be pushing forward with our support for superannuation—and the Labor Party, among all parties, I would have thought would recognise the value of providing such a powerful message to people to be contributing to their super.

I urge the government to continue in these changes. I give recognition to the Parliamentary Secretary to the Minister for Finance and Administration and others involved in the process and urge them to proceed with this legislation and other legislation in order to provide greater flexibility for superannuation contributors.
former secretaries or certain office holders who may have had a benefit based on a lower superannuation salary than an amount set in a relevant determination will be entitled to a benefit based on the higher salary in the determination. The bill will not increase public servants’ remuneration. The amendments confirm the original intention that superannuation for secretaries and office holders whose remuneration is set in a determination based on total remuneration should be based on a component of that total remuneration rather than being linked to their cash salary.

The original Superannuation Legislation Amendment Bill 2004 acknowledged existing arrangements under which remuneration determinations made by the Remuneration Tribunal under the Remuneration Tribunal Act 1973 could set superannuation salary for CSS and PSS members. These provisions were included for the purpose of consolidating all provisions that authorised superannuation salary for CSS and PSS members to be set in remuneration determinations. It has since been recognised that the bill also needed to apply to other remuneration determinations under the Remuneration Tribunal Act—for example, determinations made by employing bodies for principal executive officers within the meaning of the act.

The original bill included provisions for validating past determinations of remuneration which did not include any determinations made by the tribunal. The bill will now validate past determinations made by employing bodies under section 12C of the Remuneration Tribunal Act in respect of principal executive officers insofar as those determinations relate to superannuation salary. Again I thank all the members who have taken part in this debate. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Ordered that the bill be reported to the House without amendment.

CLASSIFICATION (PUBLICATIONS, FILMS AND COMPUTER GAMES) AMENDMENT BILL (NO. 2) 2004

Second Reading

Debate resumed from 17 November, on motion by Mr Ruddock:

That this bill be now read a second time.

Ms ROXON (Gellibrand) (11.14 a.m.)—Labor supports the Classification (Publications, Films and Computer Games) Amendment Bill (No. 2) 2004, which will make minor amendments to the Classification (Publications, Films and Computer Games) Act 1995. Under the national classification scheme, as many in the House would be aware, the Classification Board is responsible for the classification, on application, of films, computer games and certain publications. The Classification Review Board makes fresh classification decisions in response to an application for review of a decision of the board.

The national classification scheme plays a very important role in our community in providing guidance for consumers of film, computer games and literature, but also has a very important role in classifying material provided to it by the Commonwealth, state and territory law enforcement agencies who are seeking information upon which to base prosecutions, particularly for the sale, distribution and use of pornographic material and child pornography. It is
important to note that only applications for classifications that are made by law enforcement authorities will be affected by the changes in this bill. Applications are made regularly by police for unclassified material to be classified by the board, with this classification then being used as part of many prosecution processes. These amendments in the bill will remove any doubt about the validity of decisions made by the Classification Board and the Classification Review Board only where there have been minor technical difficulties in the application process.

The amendments will have effect on applications by law enforcement agencies made both before and after commencement. The provisions do not operate to validate classification decisions that might be defective for reasons other than minor technical deficiencies contemplated by the act that are related to the application, nor do they prevent any challenges to a board or review board decision based on some defect in the decision-making process, as is appropriate. Remember also that these changes have no impact on applications that are made by industry for classifications and any defects that might be found in those applications or in decisions relating to them.

The classification decision-making process will remain vigorous and interested parties under the act will continue to have the right to appeal. We understand that the government is of the view that all decisions made by the Classification Board and the Classification Review Board remain valid, even where there has been a minor procedural error in the application process. Nevertheless, Labor strongly agrees with the government that it is important that this parliament makes this abundantly clear by the amending provisions of this bill. While it is true that there is an element of retrospectivity in the operation of these amendments, Labor considers that the government’s arguments that the changes are appropriate and will not result in any substantive injustice are sound. Labor has been briefed and, whilst it is not appropriate in this place to discuss the details of any law enforcement applications publicly, we are satisfied that the government amendments are appropriate. It is important, I think, to note that no act which was legal prior to the introduction of this bill will become illegal following its commencement.

Labor believes that the parliament has an undeniable obligation to support our law enforcement agencies in their continuing effort to fight against the production, transfer and possession of child pornographic material. This includes removing even the most minor or technical legal uncertainty wherever it may exist. Under these circumstances Labor will support the bill because we believe that all governments, and in fact all members of this parliament, must be clear and unequivocal in their intent to prosecute serious child pornography offences and to take action that ensures that our laws and procedures are appropriate and permit this action being taken.

The production, trade and possession of child pornography is abhorrent. There can be no qualifications on our condemnation of it. This parliament would be being derelict in its duty if it did not take every available step to ensure that the trade does not continue. The recent arrest of those found in possession of child pornography by the state and territory law enforcement agencies is a vital part in a worldwide effort to stamp out the production, distribution and use of child pornography. The parliament, we believe, must do all it can to ensure that this practice is stopped and that those involved in such activities are prosecuted. Labor is happy to add
Mrs DRAPER (Makin) (11.19 a.m.)—I congratulate the member for Gellibrand on a great speech and thank the Labor Party for their support. I rise to speak in support of the Classification (Publications, Films and Computer Games) Amendment Bill (No. 2) 2004. What we see can have an effect on the way we think and how we treat others. Children in particular are most susceptible to the learning of bad habits from unrestricted television viewing. Most parents monitor what their children watch on television and what they access on the Internet. Adults too can be influenced by what they see, and can I say the entire advertising industry lives by this truism.

As a society we have agreed to regulate viewing by the classification of certain publications, films and electronic games. In this way we have sought to maintain certain standards which the majority of people regard as fair and worthy. Perhaps as adults we may sometimes feel we should be able to view any film, regardless of its content, because we do not expect that it will cause us to act violently or treat others differently. This may indeed be the case in some instances, but when you live in a society you have to remember that not all people react in the same way. Most of us would not drive dangerously even if there were no speed restrictions on our roads, but the laws are there to stop those who would. Most of us would never dream of injecting of poison into our veins, but there are those who do inject themselves with illicit drugs, so we have laws to stop them from injuring themselves and laws which punish the suppliers.

Regulation by classification falls into the same category. We have as a community deemed certain things unsuitable to be seen by children of certain ages and a few things unsuitable, perhaps even dangerous, to be seen at all. Indeed, the amendments that this bill will make to the classification act will ensure prosecutions for child pornography and related offences do not fail for technical reasons relating to the applications for the classification under the act. The need for this amendment follows the receipt of advice from the Australian Government Solicitor. We are indeed fortunate to have received such advice, because the last thing any of us want to see is the failure, on a technicality, of any prosecution relating to child pornography.

I have spent much of my time, both as a parliamentarian and before entering the parliament, working for the improved safety and protection of children. A whole industry now exists which grows rich on the proceeds of producing and selling pornography. Pornographers seem to go to even greater lengths to make their subjects look younger and younger. Those who actually break the law and use underage models deserve to face prosecution and penalty for their crimes. This bill further strengthens our commitment to combating child pornography and protecting our children.

There is an element of retrospectivity in this bill, because it seeks to validate decisions made by the Classification Board or the Classification Review Board both before and after the commencement of these measures. Again, we must ensure that nothing we do aids or abets criminals, particularly those who abuse children. Retrospective legislation is therefore, in this instance, both fair and just. I commend the Attorney-General for bringing this legislation before the parliament. I know that the Attorney is committed to providing adequate safety mechanisms to ensure that children are not abused by pornographers.
I also wish to commend the Attorney and his predecessor, the Hon. Daryl Williams QC, MP, for honouring the commitment to conduct an operational review of the Guidelines for the classification of films and computer games 2003. The guidelines first came into operation on 30 March 2003, with the agreement of the state, territory and federal censorship ministers. I believe that this review is sorely needed, and I eagerly await the outcome.

Members of the Classification Board are asked to make decisions regarding the classification of films and computer games in accordance with classification tools and contemporary community standards. Naturally, there is a subjective element in the decision-making process, and this is to be expected. There will of course be occasions on which some of us may not agree with the classification given by the board, while on most occasions we will agree. I do have strong concerns, which I know to be shared by many in the community, about some of the decisions made in recent times. Keeping in mind that decisions must take into consideration contemporary community standards, I would like to know why a film which included a nine-minute explicit scene of a pregnant woman being raped and beaten was ever granted classification to be shown in Australian cinemas. Whose standards applied when the decision was made? Certainly not mine and certainly not those of the Australian community.

I speak of the film *Irreversible*, which appeared in Australian cinemas in 2003. One reviewer summarised the film as rape, revenge and exploitation with artistic pretensions. Another describes how the camera looks on unflinchingly as a woman is raped and beaten for several long, unrelenting minutes and as a man has his face pounded with a fire extinguisher in an attack that continues after he is apparently dead. I do not understand how the board could give this film anything other than an RC—refuse classification—status.

Both the previous and the existing guidelines suggest that sexual violence should only be implied and not detailed. Gratuitous, exploitative or offensive depictions of cruelty or real violence should not be permitted. These are the very guidelines which are supposed to be used by the board when it makes decisions. How can they get it so wrong? We see the continual output of more and more films of this nature, and my fear—and the fear of many—is that many of these films will make it to our suburban cinemas. It is a well-known fact that the increased amount of violence now shown on television and in cinemas has produced a desensitising effect on us all. Something that would have horrified our grandparents barely raises an eyebrow today.

We have become accustomed to seeing human mutilation on the big screen, along with every form of sex act and the downgrading of the English language—all in the name of freedom of expression, so-called. With every new form of visual degradation that the filmmakers with their perverted imaginations can produce and show on screen and television, a part of our humanity is diminished. Why is it that we insist on the exposure and punishment of child abusers, yet ignore the fact that our advertisers and filmmakers are depicting erotic and sexually suggestive scenes of childlike young adults to sell their products? How is it that we can decry the incidence of sadistic and violent crime in our communities, yet pay little attention to the increasing violence in films? Are any of us really so naive as to believe there is no correlation between the two?

Another film has come to my attention which further raises questions about decisions made by the present classification board. The film entitled *Birth* has several scenes which can only be described as a paedophile’s dream. First, we have an adult woman offering herself for sex
to a 10-year-old boy in a restaurant. Later, we have the two in a bath, appearing to be naked, where the 10-year-old boy kisses the adult woman and describes her as a future wife. I have absolutely no doubt that if the sexes were reversed and a 10-year-old girl was being exploited in this way by an adult male the outcry would be deafening. We need to get this right. We need to come to terms with the situation and recognise the dangers of allowing this sort of material to continue to infest our cinemas.

We are here today to approve a bill that tightens the laws to stop child pornographers. At the same time, the classification board has given an MA15+ classification to the aforementioned film, Birth. What is even more heartbreaking is that, when the Australian Family Association—or any other community group—seeks to appeal against such a classification decision, they are expected to pay a fee of $3,470. Such a cost is obviously a deterrent to members of the community seeking to appeal a classification decision and, in my view, it ought to be reviewed. However, I commend this bill to the House and I look forward to supporting future legislation that will be as equally strong in its defence of children and community standards.

Mr HATTON (Blaxland) (11.28 a.m.)—We are dealing with the Classification (Publications, Films and Computer Games) Amendment Bill (No. 2) 2004, which in part has some minor technical adjustments in terms of how this Commonwealth legislation will operate and have effect, particularly in New South Wales and the Northern Territory. I understand that both the Northern Territory and New South Wales will be changing their legislation as well to make some adjustments to ensure that the intent of the original legislation is valid, is seen to be valid and can be properly delivered in the way that the originators of the legislation intended.

Normally in this House, supporting a bill that has retrospective parts to it is something at which people would look absolutely askance. Rightly, they would be concerned that there was something significantly wrong with making a retrospective application to decisions that have been made previously, that people might have their rights trammelled under that retroactivity and that there could be a major change in relation to their situation and the situation not only in the community but indeed before the law.

But, in discussions that have occurred between the government and the shadow minister, the normal worries that one would have about this have been allayed based on the government’s contention that classifications of materials that have occurred in the past will stand. This bill seeks simply to fix basic procedural problems or difficulties, to cover off problems or difficulties there may be in the states and to ensure that, where people have perpetrated those things which are amongst the vilest acts that any human being can do—namely, the despoiling of young children and the pursuit of that despoilation from year to year, month to month and week to week, and the destruction of those young lives—their convictions can be absolutely assured.

The most recent context to this, as we know, is that across Australia there have been very major programs in place for a considerable time. An operation has been conducted by state police in cooperation with federal police and other agencies. That has resulted in a significant number of people being arrested. If there was any possibility at all that, given the current state of the law, any single one of those individuals charged with grave offences might be able to get off on a technicality, I think it would be incumbent upon us as laypeople before the law to ensure that the intent of the original legislation at a state, territory and national level was as-
sured. Therefore, we could be asked to correct any deficiencies that are there—not with the fundamental classifications, but simply in terms of procedural matters. I am sure that the member for Banks, a very well-qualified lawyer and practitioner, would be one of those lawyers in the House who would in normal circumstances be reluctant to look at any question of retrospectivity. Or maybe he might not be too reluctant.

Mr Melham—Not really. It depends.

Mr Hatton—Yes, it does. It depends on the circumstances. Where the issues go to elements of other legislation and to taking away people’s rights or seeking to deprive people of their liberty through a change in the substantive law, then you would rightly say that, if there was a fundamental change in that substantive law and a person could be found legal ex post facto—that is, after the fact or after they had committed an act—so that they could later be arrested for an act which was legal at the time and then be imprisoned, that is the sort of system you would normally associate with regimes that did not have much time for the rule of law or with banana republics that are known to have virtually no law whatsoever. We are not dealing with that here. What we are dealing with is people who have perpetrated or are alleged to have perpetrated significant and vile acts, where all of the best resources of state, territorial and national agencies have been directed towards gaining evidence on what these people did and closing down a really nasty and vicious gang of people linked with others internationally as part of a trade.

It is not just the acts themselves but also the distribution of material related to those acts. Fundamental to this is the distribution through the Internet and other devices of photos and materials directly relating to the originating acts. These are the two areas where properly these people will come before the courts. We need to ensure here that, when they do so, they meet the full rigour of the law without any outlet for some smart practitioner to say, ‘There’s a technical deficiency so they should get off.’ Why should any individual charged with so grievous and heinous a crime as this be able to resort to the fact that there was something wrong in the way the paperwork was done or there was something wrong with the way people interpreted that paperwork?

This is strange legislation, but it goes to the reality that young children have been badly and greatly affected and will have their lives completely destroyed by people who have no concern whatsoever for their individuality and no concern for their very persons. They have no concern for the fact that children have been robbed of their own sense of self, not once but multiple times because of the spread of those photos and other materials through the people who are part of this and because they will have to relive what has happened to them once throughout the rest of their lives.

I can think of no good reason why we would not support this bill, because it goes to significantly protect those people who are the victims at the base of it. I want to quote the shadow Attorney-General, Ms Roxon, because what she had to say in this regard puts it very neatly. After outlining a similar argument to the one I have put, she said:

Under these circumstances Labor will support the bill because we believe that all governments … must be clear and unequivocal in their intent to prosecute serious child pornography offences and to take action that ensures that our laws and procedures are appropriate and permit this …

We could do nothing else, because the activities of people who practise paedophilia both here and overseas are such that they affect not just themselves but the youngest and most innocent
people, both here and overseas, living on the planet. We cannot leave any situation open where their safety, their security and their privacy could be in peril.

I completely support all of the provisions of this bill. In doing so I trust that, in future, all of those people apprehended under Operation Auxin will be brought to the courts and, where they are proven to be guilty, they will be given appropriate penalties for the vicious and uncompromising acts which they have undertaken. This bill should ensure that, as should the bills in the New South Wales and Northern Territory legislatures. Apparently the significant difficulties that might be there for those two jurisdictions are not there for other jurisdictions. I commend the bill to the House.

Mr NEVILLE (Hinkler) (11.38 a.m.)—I am pleased to be able to speak to the Classification (Publications, Films and Computer Games) Amendment Bill (No. 2) 2004 and to see such strong bipartisan support for it. The bill makes minor but crucial amendments to the Classification (Publications, Films and Computer Games) Act 1995. The amendments contained in this bill relate to the processes involved in having material classified by the Office of Film and Literature Classification and to how those processes directly relate to criminal prosecutions of child pornographers. This government is 100 per cent committed to combating child pornography, and the bill arms our various law enforcement agencies with the legislative tools to bring this about.

Over the past few months, Australians have seen, heard and read about a national crackdown on child pornography called Operation Auxin. ‘Shocking’, ‘sickening’, ‘appalling’—even these words seem inadequate to describe either the apparent extent to which the exploitation of children through pornographic activities has been carried out in Australia or the foul and reprehensible actions of those involved. The scale of Operation Auxin is unprecedented. Almost 200 arrests have been made across Australia, and more than two million—note that figure—pornographic images of children have been seized from computers, videos, DVDs and the like. The general public, quite understandably, has been stunned at the apparent scale of pornographic activities involving children in Australia, but perhaps the most disturbing aspect is the professions of those who have been arrested. School principals, teachers, police officers, child-care centre owners and even an electorate officer have, along with 200 other Australians, been arrested and charged with offences including child sexual assault, child sex tourism and possessing, downloading and distributing child pornographic images.

But there are other mind-boggling statistics stemming from this ongoing investigation. Six men have committed suicide since being charged and questioned. As at the beginning of November, 708 suspects had been identified and 469 warrants had been executed Australia wide, resulting in 228 arrests or summonses. A total of 2,260 charges have been laid. Those are incredible figures. The fact that the porn ring had links to organised crime groups in Russia and eastern Europe meant Operation Auxin had wide-ranging and cross-jurisdictional aspects to its nature, involving the Australian High Tech Crime Centre, the Australian Federal Police and state and territory police agencies. Each and every person involved in the crackdown deserves commendation for their work, but as legislators responsible for ensuring that child pornographers receive due attention and punishment befitting their crime we have a direct role.

One important aspect of doing this is to close any legislative loophole which will allow these evil people to escape prosecution. The Classification (Publications, Films and Computer Games) Amendment Bill (No. 2) 2004 will do just that. The bill has been brought before the
House to ensure that criminal prosecutions for child pornography and related offences are not dismissed because of technical reasons relating to the way applications for classification of material has been made. In short, it will ensure that a classification decision on seized material will not be deemed to be invalid if the application contains some minor error, such as referring to the wrong section number of the classification act. The amendments in the bill only relate to technical errors in the application process and do not alter an individual’s ability to challenge faulty or defective decisions that might have been made by the Classification Review Board. These amendments close a bureaucratic loophole which offered an escape route to child pornographers—an action that all right-thinking Australians would support.

Law enforcement agencies need to be given every opportunity to pursue suspects. The overarching problem facing law enforcement agencies when it comes to seizing material or images relating to child pornography—and then when it comes to processing and prosecution—is one of strictly defining exactly what child pornography is. In its 1999 paper titled *The commercial sexual exploitation of children*, the Australian Institute of Criminology sensibly suggests that assessing such material is essentially a subjective matter. What one person considers child pornography might not necessarily fit the definition of another, according to their different moral, cultural, sexual, social and religious beliefs.

As it stands, investigators must have seized material classified by the Office of Film and Literature Classification before proceeding with prosecution. That process involves lodging a copy of the seized material and accompanying paperwork with the OFLC and then waiting for the board’s decision. On occasions, quite understandably, law enforcement agencies have made minor clerical errors in lodging the paperwork associated with the material being assessed. Prior to this amendment bill and to complementary legislation which is now being considered by the states and territories, these minor administrative slip-ups could result in a criminal case being dismissed on the basis that an item’s classification could be declared invalid.

The amendments contained in this bill are, in a sense, retrospective, because they apply to classification decisions made before their commencement. They will validate board decisions where a defective application was lodged, and they will do the same in respect of the Classification Review Board. To my way of thinking, this is sensible legislation being put in place for the protection of the general community and children in particular. Quite rightly, the community is on its guard against child pornography and paedophilia. I applaud the recent comments by the member for Kingston to join the push for stronger legislation to protect children from Internet sexual predators. This government abhors the abuse of children and underage teenagers. We have a raft of safety measures in place to shield those young people in dangerous situations from potential predators. For example, teaching staff require clearance before entering schools. In some instances, state governments require the agencies not only to give that clearance but also to present printed material attesting to the person’s suitability to enter the classroom. In Queensland I think we refer to that as a blue card.

It seems to me wholly and totally inconsistent to go to these lengths to protect children from the moral corruption of potential predators, who might abuse their bodies, without removing the simple impediments to successful prosecutions. This is even more important when we look at the uphill battle we have already faced in terms of ridding Australia of child pornography activities and material. Just one serious obstacle is the all-pervasive nature of the
Internet and overseas-hosted web sites. The Internet and new digital technologies have many benefits and advantages, but they also have created new opportunities for people with sexual interests in children to produce, distribute and collect child pornography and engage in other types of paedophile activity.

The year 2001-02 was the Commonwealth’s first year of censoring Internet content. I remember the debate well. I remember that some members opposite—and I am not saying this in a strictly pejorative sense—argued at the time that, because it was too difficult to do, we should not do it. But the very extent of what we have seen over recent months in the matters I have just discussed—and the way we have seen the Internet abused over recent times—should lead us all to believe that even though these things are difficult we should not duck them.

The Australian Broadcasting Authority investigated 550 complaints about Internet content, and around 275 of those involved pornography and paedophilia. Our law enforcement agency estimated that around 85 per cent of child pornography seized in Australia is distributed via the Internet. The Internet gives child sex offenders the means to trade in such material and, more frighteningly, to abuse children. It provides offenders with a forum to access children, identify potential victims, groom them and then arrange to commit offences against children in the physical world. How often we have read in the papers about young, impressionable people being caught up in the Internet and trapped into these situations. Equally, we have heard of police officers who have posed as paedophiles and have been able to crack some of these animals who prey on children, and I commend those officers for their work.

The Internet is also a perfect tool for sex offenders to form networks and clubs and exchange information. It is near impossible to get accurate statistics about child pornography activities given that a significant amount of material is exchanged or bartered rather than distributed in the course of formal cash transactions. Notwithstanding the difficulties in quantifying the extent of these activities, the government has already introduced tough new laws cracking down on Internet child pornography, including the Crimes Legislation Amendment (Telecommunications Offences and Other Measures) Act (No. 2) 2004. This particular legislation that we are dealing with today is another part of that fabric to close the doors on people who would exploit children and distribute pornography and use it in video games, films and the like. This legislation means that people who use the Internet or the classification system or whatever to transmit and make material on pornography or abuse of children available will face up to 10 years of jail.

I think this is a very important piece of legislation. It might sound technical in its nature but, as I said, it is part of the fabric that brings a screen down between the pornographers and exploiters on one side and the innocent children and young people on the other. I commend the member for Makin for her suggestion. I think that a fee of $3,000 to appeal these matters is too high. I suppose that was looked at to make it hard for the exploiters, but we have to understand that, at times, those appeals are mounted by people who are trying to enforce tougher standards. I think $3,000 is far too much to enter the appeal process. With that one reservation, I commend the bill to the House.

Mr RUDDOCK (Berowra—Attorney-General) (11.52 a.m.)—in reply—I first take the opportunity of thanking all of those members who have spoken on the Classification (Publications, Films and Computer Games) Amendment Bill (No. 2) 2004. First, if I may, I will address the shadow minister and member for Gellibrand and thank her for her full support for
this measure, which was also endorsed by the member for Blaxland in his speech. The member for Gellibrand made it clear that Labor supports the bill, is satisfied that the amendments are appropriate and gives unequivocal support to the enforcement agencies with respect to the prosecution of child pornography. I also appreciate the very thoughtful contributions of the members for Makin and Hinkler. They ranged a little more widely in their comments. I will address those in due course.

It is important to understand the background to this bill. These are minor amendments but they are to ensure that prosecutions for child pornography and other offences do not fail because of technical deficiencies in the application for classification from law enforcement authorities. I might just say that this arose because some comments were made by the Commissioner of the Australian Federal Police about the time it might take to obtain classification decisions. I said this to departmental officers at the time. He also adverted to technical and possible legislative problems. I asked him whether he knew of any legislative problems and he said that he did not know of any, but it was a question of the speed with which the decisions were taken.

I asked for a thorough review of the operations. During the course of that review it became apparent that the request for classification had been made on forms that did not advert to child pornography but rather to classifications for other purposes. It was quite apparent that members of the legal profession when properly instructed might argue that a request on a form that was not the right form might lead to a failure to advance adequately the prosecution’s case, notwithstanding the fact that the material had been classified properly in accordance with all of the guidelines. Obviously in relation to matters as important as this, if we are dealing with child pornography—and people ought to be prosecuted for dealing with that material—you do not want the prosecutions to fail because somebody finds some technical flaw of that sort.

So this law is to enable the parliament to indicate its intention that the classification decision should be considered valid where there is a defect or deficiency related to the technical application requirements of the act. It has broader application than the specific matter I have raised, in case there are other errors of that sort—of a technical nature. I do not believe there are. I am advised there are not. I am so advised now. But it is for more abundant caution that we are seeking provisions to ensure that those classification decisions can be relied upon in relation to pursuing prosecutions, and if other situations emerge in future the bill will also deal with that. There is no legitimate reason why a person should be able to escape prosecution, conviction and punishment for serious child pornography offences or other criminal offences under state and territory classification legislation merely because of a technical defect or deficiency in the application of the act. I am glad that that proposition has been endorsed so fulsomely and I thank the members of the opposition for that.

The member for Makin raised a number of other issues and I will briefly deal with them. She asked about the operational review and indicated that she was looking forward to an outcome. So am I. The Office of Film and Literature Classification is currently conducting a review of the first year’s operation of the guidelines for classification of films and computer games. The purpose of that review is to assess whether changes to the film and computer games guidelines have had an effect in changing classification standards, including whether the guidelines are increasing the amount of sexual violence permitted. The review will be ex-
amination classification decisions made before and after the introduction of the guidelines and a report is expected towards the end of this year; that means it is imminent.

She also asked about materials that have been classified—the films *Irreversible* and *Birth*. The issues regarding *Irreversible* will be discussed in the report on operational review. On the matter of *Birth*, the classification board classified it as MA, Mature Accompanied, with consumer advice of adult themes and medium level sex scenes. In reaching its decision it considered elements of the film, including adult themes and sexual activity. The board was of the opinion that such content could be accommodated within those guidelines, and that was the decision that was taken in that particular instance.

The issue of fee waiver was also raised by the member for Makin and the member for Hindker. It was the situation in October 2004 that the Australian Family Association submitted an application for review of *Birth* and an application for waiver of the prescribed classification fees. The director of the board decided against the waiver and subsequently the Australian Family Association withdrew its application for review. The relevant section is section 91 of the Classification (Publications, Films and Computer Games) Act 1995 and the fee waiver provisions are under that section. It was an on-balance decision by the director. His decision regarding fee waiver can be tested. It was not in this instance but it is a reviewable decision to the Administrative Appeals Tribunal. I am advised, and I offer these comments to both of the honourable members, that the Office of Film and Literature Classification will be reviewing the fee waiver principles in the new year and hopefully I will be able to offer some further guidance after that review has taken place. If each of the honourable members would like to make a submission to the Director of the Office of Film and Literature Classification in addition to the remarks that will be drawn to his attention from this debate, they are welcome to do so.

I thank the Committee for the support for this bill. I hope it will have a speedy passage elsewhere. I would like to see it dealt with within this period of sittings.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

Sitting suspended from 12.00 p.m. to 4.30 p.m.

NATIONAL WATER COMMISSION BILL 2004

Second Reading

Debate resumed from 18 November, on motion by Mr Anderson:

That this bill be now read a second time.

Mr KELVIN THOMSON (Wills) (4.30 p.m.)—I am delighted to have the opportunity to speak to this National Water Commission Bill 2004 because it raises the topic of water and there is scarcely anything more important in this country that we could be talking about. There is scarcely any issue more important for this parliament to be discussing than that of water. Water is important all around the world and it is important to all of us. It is sometimes observed that, in future, wars will be fought over access to water. An astonishing and unacceptable number of the world’s men, women and children live and die without access to decent water for either drinking or sanitation. We here in Australia are in a position of particular
significance. Australia is the world’s driest inhabited continent and yet is just about the world’s largest per capita user of water. Our use of water has simply not been sustainable. It has not been sustainable in our cities and towns; it has not been sustainable in our rural areas either. We can see this increasingly in the declining state of our water reserves and in the declining health of our rivers and waterways.

The dwindling state of our water reserves is well known. Throughout this year, as I have travelled to many different towns and electorates, particularly during the election campaign, people have wanted to talk about water. In Bowen, in the Dawson electorate, the topic was the need for water to sustain the coal industry in the face of declining water from the present dam. In South Queensland, in the electorate of Forde, I visited a river that children used to dive into, which is now reduced to a trickle. In Western Australia things are even worse. Perth has had such a dry spell—exceeding 25 years—that its underground aquifers are being progressively dried up and there is a major question mark about the source of its future water supplies. On this basis the Western Australian government is examining radical options to secure Perth’s future drinking water, such as the installation of a $350 million desalination plant. The large capital cities of Melbourne and Sydney are on serious water restrictions and there is little likelihood of the situation changing any time soon. Indeed, the Victorian government announced recently that some of these restrictions will be made permanent. Many smaller towns and cities are also on water restrictions and have been for some time.

Our rivers are suffering and stressed as a result of the amount of water that we have been taking out of them for our domestic, industrial and agricultural needs. The most striking example of this is the poor state of the Murray River. This river, and the Murray-Darling Basin which feeds it, has been a mighty source of prosperity and life for this country since European settlement. It is at the heart of our agricultural prosperity. It sustains many regional communities. It is essential for the drinking water of Adelaide—an issue which no doubt some of my South Australian Labor colleagues, like the members for Adelaide and Hindmarsh, will speak about with real feeling later in this debate. But it is in a state of decline. Levels of salinity have been on the rise. This rise has been masked temporarily by declining inflows from the Darling River and seized upon by that right-wing think tank the Institute of Public Affairs to pretend that there is not a problem. But there is a salinity problem in the Murray River and its catchment and if we do not take steps to address it then over time there is no doubt that it will threaten the river system, including its capacity for agricultural production. In other words, we will kill the goose that lays the golden egg.

As well as an increasing salinity, the river has shown increased susceptibility to blue-green algal blooms, and its ecological richness is taking a hammering. River red gums are dying and native fish species are in decline—during the last parliament the government was forced to place the Murray cod and the trout cod on the endangered species list. Waterbirds are also in decline. Dr David Paton, an Adelaide academic who conducts regular surveys of migratory wading birds in the Coorong, a famous coastal wetland area in South Australia, has found an alarming decrease in the numbers of these birds over the past decade.

But the Murray River, sad and unsatisfactory and all that its state is, is far from the only example of a river in poor and unsustainable health. Rivers feeding Sydney, like the Hawkesbury and the Nepean, have been infested with weeds. The rivers feeding Victoria’s Gippsland...
Lakes bring with them the nutrients which feed algal blooms. Many other lakes and waterways around Australia have been in a state of declining water quality.

These things are known—indeed, they have been known for years. In the minister’s second reading speech he sets out the background in a section entitled ‘Water in Australia’. Although they have done it with less passion and conviction, essentially they have made similar points to those I have just made, and there is not anything in their ‘Water in Australia’ section with which I would disagree. They conclude that there is enormous pressure on some of our major water resources and that we need to improve our national effort in managing those resources.

The problem is that they say the water issue is important but they have totally and utterly failed to back up their words with actions. The Prime Minister has notional carriage of this bill and this issue, but in the last parliament—and apparently in this one, too—he subcontracted out the issue of water to the National Party leader, John Anderson, and the rest of the National Party. The National Party have been absolutely unwilling to do anything which might put Australia’s management of its water resources on a sustainable basis, for fear that their constituency will rise up against them. The National Party have not acted in the national interest; they have acted on the basis of sectional interest.

When the Liberal Party have been confronted with the consequences of this inaction—for example, in the shape of the declining Murray River—rather than take on the National Party, they have taken the politically convenient path of blaming the state governments. For years their refrain has been: yes, the Murray River is in a bad way; the states must fix it. This has been for them a political solution to the problem; it has not been an actual solution to the problem. For years, they have sat on their hands while the scientific evidence rolled in about the need to restore environmental flows to save the Murray. They did nothing. They did not restore a single litre in environmental flows. From Murray-Darling Basin Ministerial Council meetings to COAG meetings, they prevaricated and obfuscated, refusing to act.

They dropped the ball with regard to Labor’s pioneering work back in 1994. The minister’s second reading speech correctly acknowledges:

Truly national water reform commenced ... with the original COAG Water Reform Framework agreed by Commonwealth and state governments in 1994.

Then the second reading speech jumps to the signing of the National Water Initiative in June this year—10 years later. Back in February 1994, the Council of Australian Governments agreed upon a strategic framework for necessary water reforms, covering water pricing, institutional arrangements and sustainable water resource management and community consultation. However, after the Howard government was elected in 1996, that work was left to gather dust on the shelf while the National Party took over and scuttled Australia’s path towards water sustainability. I have no doubt that had it not been for Labor’s energetic pursuit of water issues in the last parliament—and, in particular, Simon Crean’s commitment to finding 1,500 gigalitres in environment flows to save the Murray River, a commitment subsequently reiterated by Mark Latham—we would not be having this debate today. Under duress, the government is accepting that there does need to be national leadership on water issues and that it is not good enough to say that it is up to the states to fix it.

We have before us the National Water Commission Bill, which establishes a new National Water Commission as an independent statutory body. Labor, having called many times for national leadership on this issue, will support this bill and assist its passage through the par-
liament. However, we are under no illusions about the government’s real views on water: they want to do as little as possible, and they want to draw it out for as long as possible. So we will need to continue to put the pressure on for action. The moment that we stop watching them is the moment that they drop the ball again.

In supporting the bill, we would not want it thought for a moment that we consider the government’s handling of water issues to have been satisfactory. Accordingly, 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) its failure to take the threat of climate change to ongoing water supplies for both our farmers and our rivers seriously;

(2) its failure to deal with water issues with an appropriate sense of urgency —allowing the COAG water reform process of 1994 to stall, and failing to provide any environmental flows for the Murray in over 8 years;

(3) its failure to adopt Labor’s National Water Policy Framework, and ensure that Commonwealth funds are directed towards securing environmental flows; and

(4) its plan to fund the Australian Water Fund by taking money which the States have earmarked for essential services such as schools and hospitals”.

Let me go to the first of our criticisms of the government set out in this second reading amendment. I grow increasingly astonished at this government’s failure to take climate change seriously. This is a government—The Nationals in particular—which claims to represent farmers, and yet it sits on its hands while climate change caused by greenhouse gas emissions condemns them to a dry, waterless future.

There is little point in having a debate about whether water should be allocated to irrigators or kept in the rivers for environmental flows if we do not have any water to argue about in the first place. Yet this is precisely what the CSIRO, the Bureau of Meteorology and other scientific experts are telling us is on the cards for Australia. I mentioned earlier in my remarks how Perth has dried out in the last 25 years. Its climate has literally changed. In my home city of Melbourne, its reputation for constant drizzle is a memory. I have not carried an umbrella around for years. Brisbane’s water storages were at 50 per cent capacity in late October, Sydney’s at 44 per cent and Perth’s down to 37 per cent.

CSIRO research commissioned by the New South Wales government shows that annual average rainfall in New South Wales has fallen by 14.3 millimetres a decade since 1950. Victoria’s Department of Sustainability and Environment produced regional estimates of climate change impacts in Victoria by the years 2030 and 2070. They showed rainfall decreases of up to 15 per cent by 2030 and 40 per cent by 2070 for the Mallee, Wimmera, North Central and Goulburn Broken regions. Gippsland and Western Victoria are facing up to 10 per cent rainfall loss by 2030 and 25 per cent loss by 2070. And that problem will be made worse by temperature increases—in the Victorian regions, typically up to 1.6 degrees by 2030 and five degrees by 2070. So in other words you get less rain and higher temperatures causing more evaporation and moisture loss.

These are very serious figures. Unless we get serious about climate change, in the years ahead Australia will become one big desert. I am astonished that the Howard government appear to be relaxed and comfortable with this prospect. The minister’s second reading speech
admits that climate change is one of the factors putting, in his words, ‘enormous pressure’ on our water resources. Yet the government steadfastly set their faces against any of the things that we need to do to tackle climate change. They will not ratify the international climate change treaty, the Kyoto protocol. They will not set up a system of emissions trading. They will not increase the mandatory renewable energy target.

The Nationals MPs scoff at the mention of climate change and greenhouse gas emissions, yet in doing so they condemn those who they claim to represent to the bleakest of futures. What an appalling abdication of responsibility. What an appalling dereliction of duty. I am pleased that at least one organisation is doing its job in representing farmers’ interests in this matter. The Western Australian Farmers Federation has called on the Howard government to ratify the Kyoto protocol on climate change. I hope that it is not too long before the National Farmers’ Federation and The Nationals get the message and do likewise.

The bill establishes the National Water Commission as an independent statutory body with two key functions: first, assessing the implementation and promoting the objectives and outcomes of the National Water Initiative intergovernmental agreement; and second, advising on financial assistance to be provided by the Commonwealth under the Australian water fund. The commission will conduct the scheduled 2005 assessment of commitments under the national competition policy water reforms, which was to have been undertaken by the National Competition Council. It will also undertake an initial stocktake of Australia’s water resources and water management arrangements. The bill assigns to the commission a central role in relation to the Australian water fund. During the election, the government promised to spend $2 billion over five years via the Australian water fund. This is separate from the National Action Plan on Salinity and Water Quality and separate from the $200 million previously promised to restore environmental flows for the Murray River through the Living Murray initiative.

The government has indicated that the Australian water fund will be divided into three components. $1.6 billion of that will be invested over five years in the water smart Australia program to accelerate the uptake of smart technologies and practices. Two hundred million dollars is allocated to the raising national water standards program. It is claimed the program will support projects such as a nationally consistent water accounting system and working with communities to conserve rivers with high environmental values. Finally, $200 million is allocated for a water wise communities program—a five-year program to promote a culture of wise water use. Community organisations will be provided with grants of up to $50,000, allocated on a competitive basis.

The National Water Commission will make recommendations for the government’s final decision concerning the first two programs. It will also administer them. The water wise communities program will be administered by the Department of the Environment and Heritage in conjunction with the Department of Agriculture, Fisheries and Forestry. The bill provides that the commission will be in the Prime Minister’s portfolio, that three commissioners will be nominated by the Commonwealth and three by the states and territories and that the commission will meet at least eight times a year. I want to return to this proposal shortly. I will also have something to say about clause 44 of the bill, which prevents the commission from making its assessments or recommendations public unless the minister agrees.

The National Water Commission is to implement the National Water Initiative. In turn, the National Water Initiative comes from the New South Wales, Queensland, Victorian, South
Australian, ACT and Northern Territory governments having signed the agreement to participate in the National Water Initiative. Western Australia and Tasmania have not signed it. The federal government has tied the national water plan to the $500 million Living Murray initiative. Both the Western Australian and Tasmanian governments believe that the National Water Initiative is too skewed towards the Murray-Darling region and not to other problem areas. The Western Australian government has expressed concern that the agreement offers little benefit to Western Australia and is not appropriate to their state. It is argued that Western Australia is at a very different stage of the development and understanding of its water resources to many areas of Australia, which brings with it a different set of priorities, issues, challenges and opportunities. The National Water Initiative may result in Western Australia having to commit to complex management, monitoring and planning before there is a need for this level of management, and there are likely to be significant disadvantages for Western Australia in being tied to a highly prescriptive model or timetable. The Western Australian government feels that it is important to ensure that Western Australia retains the flexibility to implement change in a way and in a time frame suited to its needs.

I turn to the content of the National Water Initiative. It sets out objectives, outcomes and actions for the ongoing process of national water reform in the following areas: first, water access entitlements and planning; second, water markets and trading; third, best practice water pricing; fourth, integrated management of water for environmental and other public benefit outcomes; fifth, water resource accounting; sixth, urban water reforms; seventh, knowledge and capacity building; and finally, eighth, community partnerships and adjustments.

Full implementation of the National Water Initiative aims to result in a nationally compatible system for managing surface and ground water resources for rural and urban use based on market mechanisms, regulatory solutions and water resource planning. If you have a look at this set of purposes, you can see from that list that the National Water Initiative is quite different from the Living Murray initiative, which is supposed to be all about saving the Murray River. It is, therefore, absolutely inappropriate for the government to keep insisting that the National Water Initiative and the Living Murray initiative must be linked.

I have seen the Minister for Agriculture, Fisheries and Forestry, Warren Truss, reported in the Financial Review and heard him in question time a day or two ago saying that you cannot decouple these two. Why on earth not? It is simply just another excuse for inaction on the part of the federal government to demand that these two projects be linked. They used this line in forcing the states to sign up to the National Water Initiative. The states were basically told in June that, if they did not sign up to the National Water Initiative, the government would give them nothing of the previously agreed Living Murray money.

If anyone doubts this, they should ask themselves why the two states that did not sign up to the National Water Initiative were Western Australia and Tasmania. The answer is obvious. These are the two states that have no connection with the Murray-Darling basin. Without the Living Murray money, there was no incentive for them to sign up. And, indeed, the government put no money on the table at the time for the National Water Initiative—a point I will return to.

I have indicated that Labor supports this bill and this commission in the hope that they will finally provide some national leadership in tackling Australia’s water crisis, but there are two specific provisions with which we take issue. Clause 8 provides that the Commonwealth gov-
ernment appoints the chair and three of the six commissioners on the new commission. Labor believes that there needs to be a greater emphasis on consensus regarding the making of appointments to the commission between the Commonwealth and the states, and Labor will seek to amend this legislation accordingly.

Clause 44 prevents the recommendations of the National Water Commission concerning which projects are to be funded under the Australian water fund being made public without ministerial consent. The opposition believe these recommendations do need to be made public, and we believe clause 44 should be deleted. The opposition are only too well aware of the capacity of the National Party to rort government funds for its own political and electoral benefit. It is an issue that we have been only too familiar with in allocations under the Natural Heritage Trust, Envirofund, Roads of National Importance and, most recently and notoriously, the Regional Partnerships fund.

Tens of millions of dollars have been allocated to projects in breach of program guidelines, and the one thing these proposals all have in common is that they have been in seats which either the National Party holds or it seeks to hold. We intend to do everything we can to make this process public and transparent. We do not want these recommendations to be behind closed doors. We do not want the proposed Australian water fund to go the same way as the Natural Heritage Trust, Envirofund or the Regional Partnerships program—that is, large amounts of taxpayers’ dollars achieving political benefits and advantages for the government, not a public benefit.

As well as these issues of detail, our second reading amendment criticises the government for its plan to fund the Australian water fund by taking money which the states have earmarked for essential services such as schools and hospitals. I said earlier that all along the Howard government has tried to avoid any national responsibility for water issues and tried to buck-pass to the states. I also said that at the time the National Water Initiative was signed the Commonwealth government had not indicated to the states how it proposed to fund the initiative. And so it came to pass that during the federal election campaign the Howard government announced that it would establish a $2 billion Australian water fund and that $1.6 billion of this money would come from future national competition policy payments, which the states regarded as earmarked for them. To take this money from the states would jeopardise state funding for essential services such as schools, hospitals, police and so on. This proposed method of funding was denounced at the time by both state governments and federal Labor. It shows that the federal government still believes that water is the states’ problem. The fact is it has not changed at all on this issue; it has just got more cunning—‘mean and tricky,’ as one of its former party presidents memorably described it back in 2001.

In the time available to me, I want to turn to how we believe water could be managed better in this country. In the first place, our commitment to the Murray River is well known. We have made a commitment to finding 450 gigalitres in environmental flows in our first term of office—enough water to keep the mouth of the Murray open. We have made a commitment to finding 1,500 gigalitres in environmental flows over a full 10-year period. We want to save the whole river system, not just parts of it. The rest of our approach is set out in Labor’s framework for a national water policy, released in June this year. In the time available, I want to draw some of its features to the attention of the House and commend it to the House as solid, detailed and well-thought-through policy.
Identifying the river systems that have escaped degradation and developing a plan to protect them will ensure that we avoid the problems of salinity, water quality and loss of biodiversity which are now sadly characteristic of so many of our waterways. Labor would implement a national system for classifying Australia’s major rivers, to identify those that need attention and those that need protection. Many parts of Australia’s river systems are sick and need urgent attention. Without attention, they will only get worse. We are committed to saving Australia’s rivers, to saving the Murray through Riverbank and to ensuring through that program that we provide assistance to holders of water access entitlements to achieve on-farm efficiencies with a view to meeting our targets for environmental flows without jeopardising overall agricultural production. We want to investigate opportunities for strategic investment in off-farm water infrastructure. We want to ensure recognition for those who have already invested in water efficiency measures when reviewing water allocations resulting from enhanced environmental flows.

We intend to establish an environmental flow trust to manage environmental flows, because we know that there is more to saving our rivers than simply putting more water into them. We would work with the states to ensure that all major water catchments in Australia have properly resourced, statutory, community-based catchment management authorities. While the Murray is the most significant river in Australia that warrants urgent attention, many of Australia’s major rivers are stressed or dying. We are committed to improving the health of all our major rivers and we want to use the experience in saving the Murray to improve the health of other major rivers identified under a national scheme for classifying rivers as those rivers which are in need of repair. Experience tells us that meeting Australia’s future water needs by simply extracting more water from our rivers will not be sustainable. The focus for meeting growth in future water needs must be on water reuse and recycling, on improved efficiency and on technological solutions such as desalination.

We need to recognise that it is not just a question of action in the regional areas, although that is incredibly important; it is also a question of better water management in urban Australia. In Australian households, each person uses around 350 litres per day and yet the national reuse of effluent is just 14 per cent. If we did more to reclaim and reuse stormwater, treated sewage effluent, treated industrial discharge and grey or household waste water, we would be in a much better position to deal with shortages as well as to boost our environment and our economy. An integrated approach which considers all sources of water available to urban areas is needed to achieve a significant improvement in water use efficiency in urban areas. Reclaimed water can be used for all sorts of purposes: irrigation of city parks and sports ovals; industrial purposes; cooling water; recharging natural aquifers; using safe, treated urban effluent on crops; and many more.

We want to work with the states and territories to improve the water quality and environmental outcomes of urban water management. We want to work with the state and local water authorities to dramatically reduce the amount of water being discharged via ocean outfalls and we want to use the COAG process to implement voluntary and regulatory initiatives which would promote water-saving measures such as rainwater tanks, water-saving showerheads and tap fittings, dual-flush toilets and increased use of grey water. Water is a critical issue for this country. The government must do better. There simply are no excuses for inaction now. We are supporting this legislation. The government should stop blaming the states and stop look-
...ing for excuses; it should get on with it and do the things that need to be done to put this country on a path to water sustainability. *(Time expired)*

**The DEPUTY SPEAKER (Mr Baldwin)**—Is the amendment seconded?

**Mr Hatton**—I second the amendment.

**Mr WAKELIN (Grey) (5.01 p.m.)**—The National Water Commission Bill 2004 is an important community based initiative. In terms of the COAG agreement of 10 years ago, this has been a long time in the making. Water is something that we essentially take for granted. Until we do not have any, we presume it will be there, so I welcome this very important piece of legislation. Australia is a very diverse place. As you go through the memorandum you can get a very clear picture about run-off and about where the water is coming from, where it is going to and what it is used for.

Perhaps we should start with the National Water Initiative, which has eight points. The first refers to water access entitlements and planning. The second refers to water markets and trading, which has been a much discussed and debated issue over recent years. The third refers to best practice water pricing. I do not know what is regarded as an international price for water, but certainly in my part of the world the going rate is around $1 a kilolitre. It has been said to me in recent months that we pay nothing for our water. We actually pay approximately $1 for the transport of water, so we virtually value water at nothing in this country. That is something that I have pondered quite considerably in recent months.

The National Water Initiative’s fourth point refers to the integrated management of water for environmental and other public benefit outcomes. That is commonsense. There is a lot of focus on the environment, and with 20 million people we have to become increasingly sustainable. The initiative’s fifth point refers to water resource accounting, which is a much tougher area. For example, in my own electorate it is said that to pipe water from the Murray River to the Upper Spencer Gulf may cost $3 a kilolitre—three times the actual price we pay—and yet that is an estimate. It is something that is debated—but it is barely transparent and it is certainly not discussed. Therefore, there is a great challenge for us in water resource accounting: to know what the actual costs are and then to develop systems which give us far better value for the water that is being provided and the mechanisms of how we provide it and how we use it. The sixth point refers to urban water reform, and I guess when we see the amount of greenery in much of the driest state in the driest continent—South Australia—we must wonder whether there is a better way of using that water. That is not popular. Nevertheless, we have to question how well we are using our water when we use it for, perhaps, aesthetic reasons more than practical ones.

With regard to knowledge and capacity building, there is plenty to do there, as there is with community partnerships and adjustments. The National Water Initiative endeavours to put this down and it tries to bring us into the 21st century, to this sustainable position. The debate about how much money and water will be involved will no doubt be ongoing, and the amendments from the member for Wills will be part of that debate. But one thing is for sure: unless we as a nation are prepared to embrace best practice and look at this with all the capacity within our power, we are not going to pass on a very satisfactory outcome to the next generation.
We have seen headlines in recent weeks and months that say that Sydney is running out of
water. I do not quite agree with the member for Wills, who mentioned that he had not carried
an umbrella in Melbourne for a long time—if he went to the Melbourne Cup, he would have
needed a very big umbrella—but climate change is also going to be part of the debate. I do
not agree that we are about to become a desert—I come from a region that has between, say,
300 millimetres, or perhaps a little less, and 400 to 500 millimetres of rainfall per annum. I
think it was in 1977 that a world expert told us that we were about to become a desert. The
next year we had record rainfall, and the same expert was there warning us—he put on an-
other hat, this time looking at things from the emergency fire service perspective—that we
had to be very careful because we were about to burn ourselves out. In other words, 12
months after we were about to become a desert there was so much vegetation that we were
about to be in such trouble that we were going to suffer the havoc of fire. That is what we live
with in Australia: we live with these great variations. That is what we will always deal with.
In over 200 years of European settlement, we have but scratched the surface of an under-
standing of the place. We have a lot to learn, and this bill goes a long way towards doing that. I
think that the Murray-Darling Basin Commission and its executive officer, who is known to
many of us, will—with the states and the Commonwealth, of course—bring a vital focus to
these issues, but let us always remember that the practical variations in what we are dealing
with are things that will always challenge us.

In the few minutes that I want to take up in this place today, I would like to reiterate that
the Murray-Darling Basin Commission is an example of inability, in my opinion: even though
it has done a lot of good work, it shows the weakness of federation. I hope that in this proc-
cess—within the federation and within the agreement between the Commonwealth and the
states—we can bring a result that enhances not just the Living Murray initiative but the Na-
tional Water Initiative as well. That is another area in which I am in some disagreement with
the member for Wills—quite frankly, I agree with the Minister for Agriculture, Fisheries and
Forestry: I do not see how you can decouple the National Water Initiative and the Living
Murray: I think they are very much part of the same question. But we have the responsibility,
which this bill goes to the heart of, of embarking upon this initiative in a way that brings us
far better outcomes than those brought to us by the squabbling of the last 80 years—or how-
ever long it has been.

So that is the challenge in front of us. I welcome the bill. In summing up, as a South Aus-
tralian I would like to say that I have a little sympathy for Western Australia and Tasmania,
the states that are particularly concerned, in the sense that in the specific part of the world I
come from and live in—not my electorate, which has various contacts with and reliance on
the Murray River, mainly as piped water—we have absolutely no contact with the River
Murray, like much of the rest of Australia, I suggest. So my warning and my plea would be
this: let us not get excessively preoccupied with the Murray-Darling, important as it is. Water
is important to every Australian, whether they live at Cape York, in Perth, in the Kimberleys
or Tasmania—I nearly said Van Diemen’s land!

I really think that we are starting to come to grips with this issue, but let us not be preoccu-
pied with the Murray River only—and I say that as a South Australian—because the issue of
water, for whatever purpose we use it, will not go away. When we consider that advice from
one of the wisest people about water that I know in South Australia, we are valuing water at
nothing and all we are doing at the moment is paying for the transport of it. Let us hope the National Water Commission Bill 2004 can enhance that and bring us to a sustainable state.

Mr HATTON (Blaxland) (5.11 p.m.)—The National Water Commission Bill 2004 is an important bill, and it is one that is not just timely but overdue. This process was initiated in 1994, two years before the end of the Keating government. Here we are a decade later and finally the initiative that was taken at COAG has been brought to fruition. A decade is simply too long for this initiative to have taken to come to fruition. Given that the problems are pressing—and they have been for the last 10 years—and that the Commonwealth and state governments identified in 1994 that water problems for Australia were pressing, critical and needed to be resolved as fast as possible, this government has been utterly tardy in coming to terms with these issues.

The government can blame the states or the fact that the Labor opposition has a position in regard to water policy that differs somewhat from theirs. They can argue that they have not been helped by all the parties concerned, but I do not think any of that is valid. What is valid is the fact that this government have been entirely tardy in their approach to these problems and have demonstrated in the more than eight years that they have had charge of the government benches that they were not focused on these issues critical to Australia’s future.

I do not pretend that these are easy issues to resolve or that they could have been resolved by 1996. They were not. The process was initiated, and a year and a half or two years of work was done by the Keating government and the state governments to identify a mechanism through which we could get some resolution of the issues. What we now have in the National Water Commission is part of the story, in terms of sorting out the difficulties that we have not only with the Murray and the Living Murray initiative but with water allocation generally throughout the Murrumbidgee, the Riverina and in terms of dealing with questions of water usage Australia wide.

The fundamental purpose of this bill may seem slight when we come to deal with it—if you have a look at what is provided here, it does not seem to be all that much—but the fundamentals are pretty important. The first purpose of the bill is simply to set up the National Water Commission as an independent statutory body and to ensure that it has the capacity to undertake two key responsibilities. The first of those is that it should assess the implementation and promote the objectives and outcomes of the National Water Initiative intergovernmental agreement. The second is that it should advise on financial assistance to be provided by the Commonwealth under components of the Australian water fund.

Both of those responsibilities are important, because they go to this being a key initiative of the Commonwealth but entirely dependent on the interaction between the Commonwealth and the states. The previous speaker alluded to the problem that, when you deal with any issue that really is federal in nature where you have contested interests in relation to the utilisation of a resource—and we have seen a contest over those water resources between different states and different users—it is a difficult process to put something into place. But the government have had plenty of time to do this, and they should have brought this in much more quickly.

The bill assigns to the National Water Commission a central role in relation to the $2 billion Australian water fund. Specifically, it provides that this is of such significance that it will be placed in the Prime Minister’s portfolio. The significance is great enough to say that there is no other minister in the government who should have charge of this but the Prime Minister.
of Australia himself—that this is a key initiative in relation to the government and a key initiative in terms of the responsibilities that the Prime Minister will undertake. If that is the case—if it is so important and so significant—you would expect that, in all of the time that this Prime Minister has been in charge of the joint, since March 1996, he would have been able to speed up the process in forming this body and resolving the issues in regard to water.

Secondly, the bill provides that there will be three commissioners nominated by the Commonwealth and three by the states and territories, and they will meet at least eight times a year. And so they should, because the issues they have to deal with need to be advanced as fast as possible. Despite what the member for Grey indicated about Melbourne’s weather during the Melbourne Cup, that actually underlines one of the problems we have. If the science is right—if the majority of CSIRO scientists are correct and world opinion is correct in regard to this—then the number of torrid weather events that we have and the severity with which they are expressed in different parts of Australia will increase. Australia’s weather will become in part less predictable and more severe. Indeed, part of the measure of just what has happened in the changes is that we now have not just the cane toad working its way inevitably through the Northern Territory but also the growth of rainforest in the Northern Territory in areas that were grasslands. Associated with the growth of those rainforests there is an infestation of dengue fever carrying mosquitoes in the Northern Territory. Things have changed. Australia is changing. Climate change seems to be expressed in that simple move—expressed by the environment itself. The nature of northern Australia is changing, and the weather patterns have a part to play in that. The weather patterns are an intimate part of changes in climate. Australia will have to deal with increased rainfall in the north and a change in the biota in northern Australia, but the likelihood is, if the scientists are correct, that in southern Australia we will have a much drier continent than we have had in the past.

Although the member for Grey did not think it was right in terms of the drying out of Australia, if one listens to Tim Flannery, a noted Australian biologist who has been lauded by the Prime Minister and ministers in this government, in his recent book Country—and he first outlined this in Future Eaters and then when, not all that long ago, he spoke to the regional committee that I chaired in the last parliament and the one before—he put an entirely compelling case in regard to the rapidity with which temperature changes are happening and impacting on Australia. The fact is that the graphs are going almost off the scale. We are virtually reaching an exponential change in temperature in Australia. If you were in Canberra yesterday you were a bit protected from it, but it was 42 degrees in the shade in Sydney—an all-time record in November. Part of the strangeness of this is winter type temperatures through part of November oscillating very quickly into very high summer. We have experienced that over the last number of years.

Of course, if you speak to some meteorologists, nothing ever changes, because if they get a big enough database they can look at it as mere fluctuations from day to day. It all has some precedent in relation to it. But I think that you can almost feel the changes that are happening in our experiences, in the regularity of the seasons. The regularity of the seasons in my youth and the youth of the member for Fowler—and indeed in your youth, Mr Deputy Speaker Baldwin—has simply gone. It has been completely blown away. We have argued that, if you look at what scientists in Australia and world wide have said about temperature change and climate change, one of the key things we should be doing—and it is said here in the amend-
ment—is signing up to the Kyoto protocol and signing up to the fact that we have a problem because we have a fossil fuel based economy. We are carbon beings, but we also burn a lot of carbon: carbon based human beings utilise that rich store that we have from the geological past. But, in doing so, we create significant problems. We have a special part to play in trying to turn around the way in which Australia uses those natural resources and in trying to lessen the impact on global climate change.

The government argues that the costs of that are too great, that doing it would not really make all that much difference and that it is unnecessary to go further. With the press of time, even those countries that are laggard in regard to Kyoto, such as the Russian Federation and even the United States, seem to be stepping inexorably along the path to eventually signing Kyoto, many years after it was first signed up to by the initial signatories. It must be clear that as people in the United States, Europe and elsewhere in the world are feeling big changes in weather events, we are feeling them here. If we had problems with water before, we certainly have them now. The level and intensity of the drought that we have experienced in the last few years have been commented on by one farmer after another and by the appropriate bureaus in Australia. We know a great deal more now about the major climate influences of El Nino and La Nina, but the difficulty we have is that we do not have the best and most appropriate responses at a federal level, or indeed a state level, to deal with them.

We have a broad outline of where we need to go. There is an increasing understanding that home owners in Sydney need to take steps to ensure that they use water in the best possible way that they can. Indeed, the state government has just brought in regulations which indicate that, if you do not get a place built by March next year—and, even if you are making extensions to a home in Sydney, if they are not done by March next year—there will be a extra cost, in the order of $10,000 for each household making extensions or for new homes, to use water wise systems to use water better and to conserve water within the metropolitan regions. I think that is a sensible thing to do, because we in Sydney and in the other major cities have experienced significant problems as well in terms of the way in which water has not hit the catchments. It has hit our properties further towards the coast, but in the catchment areas we have not been getting significant water until recently and therefore the levels of our dams are seriously low. I note that the same problem is evident here in Canberra, as it is in other parts of the country. A concentration on these matters is absolutely called for. We think that the government has been extremely slow in taking this up. We do not think you can be laggard with regard to this.

I will go to further elements of the second reading amendment that has been moved by the shadow minister. The first, which I have already spoken to, is the failure of the government to take seriously the threat of climate change to ongoing water supplies for both our farmers and our rivers. The second is their failure to deal with water issues with an appropriate sense of urgency, and I have spoken about that. We had 10 years where they could have pressed forward but they did not. They have not dealt with the problem of environmental flows in the Murray River. Indeed, there is a contrast between that and the best science around the place, which is linked with Labor’s approach to this problem. We have argued that 1,500 gigalitres should be reintroduced into the Murray. The government have chosen not to take that approach. What they have chosen to do is to have a much smaller amount and to argue that there are iconic sites along the Murray that you can save bits and pieces of—that that is a good
enough way to do it: you do not look at the whole river, you just look at those iconic sites and say that you cannot do much more.

It is useful for us that the shadow minister who dealt with this today and now has a responsibility for regional development was the shadow minister for the environment in the last parliament. I was in South Australia with him when he and the former leader Simon Crean announced our policy with regard to the Living Murray. They pledged Labor to the much higher goal of not just trying to do a spot check on this system but, rather, trying to deal with the Murray as a complete living entity. All of those people in South Australia who are at the end of that river and who depend on it not only for their living but also as their major water resource need to know that there should be more cooperation between the states. The federal government needs not only to pay up with regard to it but also to play a role which encompasses a willingness to really fix this as fast as possible. If the states are tardy, then the federal government should get onto them. Those who come from those states where there are the most significant problems for the people who are dependent on the river—that is, the farmers in Victoria, New South Wales and Queensland, who need this resource—need certainty with regard to it.

We argue that the government’s failure to adopt Labor’s national water policy framework and ensure that Commonwealth funds are directed towards securing environmental flows is another fundamental fault in the government’s approach. Lastly, we argue that the government’s plan to fund the Australian Water Fund by taking money that the states have earmarked for essential services such as schools and hospitals is not really a bright idea. I would argue that we have seen this mob do this before. We know that, during the election campaign, the states rightly indicated their concerns and said that they would not be signing up to a National Water Initiative that was predicated not on new money but in fact on taking the bundle of money that was already available to the states, which they would use for those absolutely essential services and their administrative functions. That global amount of money would have something pinched out of it to the order of $1.62 billion which would be put aside for this Water Initiative. It is a cheap way for the Commonwealth to do it, but the states have argued that it is not realistic or sensible to give with one hand and take with the other. But we have had plenty of experience with that since March 1996. Given that this government has been re-elected to office, no doubt the states will have to contend with the fact that the Commonwealth will try to strip them bare while at the same time arguing that they are not doing enough in regard to this.

So, in relation to all the key measures that we have outlined regarding the deficiencies of this bill, we think that the government should rethink, front up and really seriously take Kyoto into account. Having finally got to the plate, they should also move forward as fast as possible with the COAG water reforms. We think that they should not take that money from state competition funds. We think that should come from new money, and we think that Commonwealth funding should be directed to making sure that environmental flows in the Murray are absolutely secure. You cannot do this just as a spot process, where you think you have one part fixed because it has enough iconic status; you have to deal with the whole problem.

The broader part of that is that you cannot deal with this out of context. If Tim Flannery is correct when he says that Australia is drying out—and certainly the physical nature of the changes we have seen in the last few years in particular seems to indicate that it is and his
views seem to be borne out by what is happening, with the northern part of Australian becoming wetter and the bottom part drying out even more—we have to be not only a lot cleverer in what we do with our water resources but also a lot quicker in the actions we take with regard to them. The government have been tardy so far. They should speed up their approach and ensure that, now that they have this bill and will have an independent secondary authority, they quickly move to allay the fears of the states and ensure that water security for all Australians is made good as fast as possible.

**Mr TUCKEY (O’Connor) (5.32 p.m.)**—It is with considerable pleasure that I join the debate on the National Water Commission Bill 2004, which is legislation that will enable the establishment of the National Water Commission. It is an extremely important piece of legislation, and I note with considerable satisfaction that the commission is to be an independent statutory authority. Because of the association I have had with him in the past, I am also pleased that the chief executive is to be Mr Ken Matthews, who was previously Secretary to the Department of Agriculture, Fisheries and Forestry and then served at the Department of Transport and Regional Services. I am sure Ken is well enough experienced to take on this task.

However, I sincerely hope that in doing so the advice the commission give to government will be based on facts and substance and not on the outrageous media hype that has driven this debate around Australia over a significant period—to, in my mind, the great detriment of the quality of the political process. I lay that criticism on both sides of the House, because I see circumstances that are well documented being ignored in pursuit of a few votes, which, as the most recent election proved, were not there anyway. I hope that in ensuring Australia’s water supplies in all their facets over a long period into the future—and to the benefit of humanity and the environment as we know it—we can, as a collective, look to the evidence that has been put forward from time to time and to the historical facts that are significant.

Let me say, in commencing, that we do not use up water. We cannot destroy it. It is composed of two elements, and we can change it to hydrogen and oxygen by a couple of processes—typically electrolysis—but fundamentally, in pursuit of the needs of humanity and animals and so on, we tend to pollute it. Nature has been quite clever in preserving it. It has done so with an old-fashioned method called putting plenty of salt into it. It has put it out there in things we call oceans and it has created a system of evaporative distillation to bring it back over our landmasses. We all know that those landmasses tend to generate precipitation and, as a consequence, we can get water which is of benefit to us because it does not have any salt in it.

Then of course it is delivered down the drainage channels of our nation, which just happens to be one of the oldest geological structures that people occupy in the world. Those water channels have been degraded. They are very shallow generally and they have a habit, as I have often said of the Murray-Darling system, of being the stormwater drains of the nation. Historically, they discharged water when it was raining—or when the snow was melting in a few limited areas—and the water rushed off to the ocean, where it was reconverted to salt water.

When we look at those circumstances, we should be asking ourselves why it is so difficult to clean the water—that has never been lost—in a manner that makes it suitable for our needs. We are a nation that has relied heavily over many years on a market economy. I think it is rea-
sonable to say that the extent to which we want to consume water—withstanding that we will not retain any of it, either in our bodies or elsewhere—will decide how much money we want to spend on retaining it and reconstituting it so that we as humans can get benefit from it. That should be the fundamental starting point.

There is plenty of debate about whether we should use that water to irrigate certain crops which we could buy more cheaply from Asian nations—rice being the classic example. There are plenty of arguments about whether we should use it in its purest form to water our lawns and gardens. They are all relevant and they have all been sidelined. As a collective in this place we have let silly people drive us with untrue statistics. I was very fortunate to join the House of Representatives Standing Committee on Agriculture, Fisheries and Forestry while it was having its inquiry on water, and I had some good colleagues from the Labor Party—Sid Sidebottom in particular.

When I joined the committee we were considering the report. Looking at the evidence, I saw all this conflicting advice coming from so-called scientific advisers. The different pieces of advice were so far apart. When I said to the other members of the committee, ‘What do you think of this?’ they said, ‘We asked them all for responses to what Bill said and what Jack said, but we never got them.’ So we decided to get them all in the room together. You can consult Dick Adams and a couple of others about what an enlightening process that was.

There just happened to be a woman there, Dr Jennifer Marohasy, whom I would love to see as a board member on this water commission. She took some of the other so-called more respected scientists apart. She did it in a very simple way. She produced factual evidence. When we consequently came to the view that the whole decision on water was being made on the minimum of scientific data, we put out a report saying, ‘For goodness sake, take a deep breath. Don’t cancel the money you’ve got. There are problems but get some better facts.’ My boss and all the other ministers told us we did not know what we were so-and-so talking about, and Jennifer chose to write an article for the Australian, which gave it the headline, ‘Howard goes with the flow on Murray’. She referred to some other articles that had been published in the Australian, with headlines like ‘For cod’s sake, Murray needs stronger flow’.

She pointed out that the only report on fish stocks that had ever been delivered to government was a research project that was undertaken in about 1996. This was the quote she used from it:

A telling indication of the condition of rivers in the Murray region was the fact that, despite intensive fishing—

by scientists—

with the most efficient types of sampling gear for a total of 220 person-days over a two-year period in 20 randomly chosen Murray-region sites, not a single Murray cod or freshwater catfish was caught.

Dr Jennifer Marohasy said:

Most remarkably, at the same time and in the same regions, commercial fishermen harvested 26 tonnes of Murray cod—

which only proves that the scientists were lousy fishermen. That has been well published: she quotes two articles.

She went on to advise us in a committee hearing. I watched the body language of the other scientists there: they were rubbing their foreheads. She looked at one bloke and said, ‘You
have said on your web site that salinity levels are rising in the Murray. That is something that I think most of us believe. Yet, as she pointed out in this article and in evidence to our committee, salinity levels have been declining at Morgan—the point where they take water for Adelaide—for 20 years.

Other scientists were telling us that the water tables were rising. She pointed out that, according to the data—the actual record—they are going down. In response to that, one scientist said, ‘Yes, but it is a drought.’ Wait a minute! We know it is a drought. But why say that they are going up in a drought when you know they are going down in a drought? I came to the conclusion that most of these people were taking a 20-litre bucket of water out of the river and making any modelling decision they wanted—and the operative word was ‘modelling’.

I will focus for a minute on the Murray River. I must get off it in a minute, because it is not the start and finish of our water problems. The question we have to ask in relation to environmental flow is: is the ecology a reversion to what the river was—our biggest stormwater drain—or is it some recognition of what we have now and how best to manage it? Managing it means, more particularly, how to supply that quality of water which is so important to us humans. We are not short of water; we are surrounded by it. It is just not useful in the form in which nature has provided it. You can imagine what the oceans would look like they if they were full of freshwater. They would be terribly green.

I had a recollection about a photograph. I am happy to pass that photograph around. It appears on the front page of our report. It hangs over the fireplace in the Berri Hotel. The Berri pub just happens to be across the road from the Murray River. It is a photograph of the December 1914 Berri Primary School picnic, held in the middle of the river. As you will note, in the foreground is a bit of water and sitting in that is a sunken dinghy with half the freeboard sticking out. In other words, the puddle was less than six inches deep. That was the state of the river in 1914—and we are being told that the end of the world is tomorrow! The river, as Sturt discovered, ran and flooded, and that created certain ecological outcomes. That is quite right. Then it went dry. All of a sudden we have a drought—remember that in the 200 years that Westerners have been associated with this nation there have been 40 years of recorded drought—and we have a situation where ‘the end of the world is tomorrow’.

The committee were all surveyed out and inquired out on this issue. In the first inquiry, 22 responses to the river’s circumstances—or its health, as we have chosen to call it—were included in the evidence that we received. Of those, only seven related to river flows, and five of those represented areas where there was too much water. So we are down to two of 22 items of improvement that require increased river flows. The other 15 appear to have been forgotten.

I will admit that my side of politics is no different from any other. I do not know whether it was just that the South Australians were happy when they were the last capital city in Australia to impose water restrictions. They retain a thing called Lake Alexandrina where half of the water that flows across their border evaporates. They could fix that by shifting the barrages at Goolwa to the other side and letting it become very much as it was when Sturt discovered it when he kept running aground: half salty. We talk of the Coorong having to be saved by keeping the mouth open. Traditionally, if you want the original ecology, I would argue that the river mouth probably closed off once every three years. Scientists have said that it was possibly one in 10, and I would not argue with that. What is more, it probably never was where it is
now; it has changed. That is all fine. What I am asking is: why have we suddenly focused on this simple, single, nicely packaged political issue that might do nothing for the river and is going to cost a packet? There could be better solutions.

I am not arguing here that we should do nothing. I agree with the member for Wills that it is an issue. We do not destroy water; we simply pollute it to a point where it is not useful, although there is a degree of usefulness then, particularly in industry. But why are we not harvesting the runoff from our streets? By coincidence, all the water that runs off from this city and off the roof of this building ends up in the Murray-Darling river system. It is drunk a number of times on its way to Adelaide, where it is also drunk. As I have said, that could be some reason for the lousy beer there. But the fact is that nature does that purification, to the point where we purify it. We spend huge amounts of money purifying water to put on lawns, which do not need to have water purified to that degree. Why do we not insist that new subdivisions have a proper water collection system and a dual piping system so that we do not spend all that money purifying water that is going to go on lawns, which could even benefit from some of the impurities. By the way, all the sewerage water from this city goes into that same river system, as it does at Albury, Wagga Wagga and other big towns, and it works. In other words, our cities should be harvesting their street and roof water and pumping it back to their dams.

I am saying all these things because I hope that Ken Matthews and his committee will sit down one day and say, ‘What is this all about?’ I will revert to the Murray River for a minute. When we concluded our day of evidence with all the scientists in one place, we got one unanimous decision: there was far too much focus on the volumetric issue with the Murray-Darling river, that we were wrong to go down the road we have gone down and that we should have been looking at all the options. Of course we should pipe more water. I found myself as conservation minister arguing with the Western Australian Court government about the idea of extending the Ord River waters in an open channel. We should not have any of them. I add that there are other factors against it with the Ord River. Of course there are good ecological reasons. But we must remember that, when Sturt got to the Darling, it was as salty as the sea and he referred to salt springs rising. There is a section of the Riverland where we have used salt bore interceptions and pumped the water away to a place called Stockman’s Flat and there is a distinct reduction in the incidence of salinity in that segment. Yes, it costs money; but it works. I am sure the member for Brand would agree with me that in Western Australia we have to do that with the groundwaters that are increasing the salinisation of our farmland.

I might ask him, with his sort of brain, to consider what we might do in the future with that water by using solar voltaic panels to electrolyse that water where it is. I can tell him we can buy off the rack at the moment a container sized electrolyser like the ones that are being used in some areas for the new hydrogen buses we have in WA. Maybe a farmer will generate his own hydrogen while reducing his water table. What is more, when he gets the generator for a hydrogen generator it will probably be an independent unit that he will plug into his header. He will go out heading, come back and plug it into his tractor and go somewhere else. We have all these wonderful opportunities in front of us, and we have the narrow focus of a thing called environmental flows. I do not know what that means. I could not get any scientist to tell me what it means. But the people of South Australia think it means more water for Ade-
laide. I assume an environmental flow has got to get to the ocean. The fish will be celebrating, but I am not really sure what other good it will do.

As I said, I do not want to lay any criticism anywhere but I plead with everybody present to talk among their own party members and ask, ‘Have we got this right?’ I sincerely hope this lady, Jennifer Marohasy, is made a member of the board, because she will sort a few blokes out. I think that would be valuable. We have got to get away from making this an issue where someone thinks there are some votes. It is a huge issue and, as members will gather, being talkative I could go on for another hour on this. It is a different problem everywhere. But I have to plead that we shift it to one side. I plead that we really and truly one day get down to the reality that water only ever becomes impure: we never lose it. It is always somewhere, and it is a question of how we spend the money to return it to a state in which we can use it in our various ways. I have often said we should pump some of my salt water up to Kalgoorlie and let them desalinise it with all the waste heat they have up there. It is quite practical but, anyhow, I will stop at that point. I do plead that we look again. People should look at that report. It was provided in good conscience and it was supported by some good Labor people, because we were quite worried.

The DEPUTY SPEAKER (Mr Hatton)—I know that this may be contentious today, but would the member for O’Connor like to seek leave to table the document he has referred to as part of his submission?

Mr TUCKEY—by leave—I table the document. It is the only copy I have, but I can get another one.

Mr MARTIN FERGUSON (Batman) (5.52 p.m.)—I must say it is a hard act to follow. Having said that, I will say that I think the member for O’Connor and I agree on one issue, which is that water is a precious resource. The National Water Commission Bill 2004 represents a statement by the Commonwealth parliament that we, their representatives, have taken heed of their requirement that we as a community get serious about improving the quality of our water and also accepting that there is a finite amount of it. It is for that very reason that the opposition, whilst it has some misgivings about some aspects of the bill, actually supports the bill.

I also remind the member for O’Connor that in terms of harvesting water from metropoli- tan areas—this is a serious challenge to him—the provisions of the bill actually provide for a water wise communities program. That program is in the order of $200 million over a five-year period, with grants of up to $50,000 allocated on a competitive basis. I only hope that his former senior minister, the Minister for Transport and Regional Services and Deputy Prime Minister, treats the potential allocation of these moneys on the basis of merit rather than in the manner in which he has allocated the scarce resources in the regional portfolio on the basis of where a particular project sits in a seat on the electoral pendulum. Let us take the politics out of this serious issue and make sure that these hard-earned taxpayers’ dollars are actually used to make real progress with respect to harvesting water and looking after this scarce resource in the future.

It is in that context, as I have said, that the opposition supports the bill. I also support the second reading amendment moved by the member for Wills and shadow minister for the environment. I foreshadow my support for the more technical amendments to be moved by the member for Wills with respect to trying to improve and overcome some of the weaknesses in
the National Water Commission Bill 2004, including locking in states’ rights in terms of representation and a capacity to be properly heard in relation to the allocation of financial resources available under this potential act. This will assist us as a community in making progress on the all important issue of water.

I think it is also important that we have some regard to the historical nature of this bill. The National Water Initiative was originated by the Labor Party as part of its 1983 microeconomic reforms under the initial Hawke government and refreshed through the 1994 COAG water resource policy. As a successful government on microeconomic reform and as a party that is actually proud of its economic achievements, Labor believes that water is a precious resource. I say that because it allows us as a society to achieve a number of economic, social and environmental objectives, ranging from industrial and rural use to domestic needs, environmental protection and recreation and aesthetic appeal. I am pleased that the government has finally heard the message that was initiated by the Labor Party in its microeconomic reform process back in 1983.

As a community, we have to accept that water is finite. It is therefore the responsibility of all governments to ensure that each use balances the social, economic and environmental objectives of our community. We must therefore allocate it fairly and, importantly, use it efficiently. It is clear that a strategic framework is required to ensure that it is used efficiently, distributed fairly and that issues such as environmental flows, salinity and land degradation are not forgotten.

It was also under the previous Labor government that this framework was initially developed. If you listen to the minister responsible, the Deputy Prime Minister, it is as if we were never involved in trying to initiate real progress and sound work on the issue of water. In 1994, COAG endorsed a water reform framework which recognised that we collectively need to take responsibility for water management. This agreement recognised that water reform is a national issue that requires cooperation between state, territory and local government in association with the Commonwealth government—not the potential confrontationist model which could be the end result of the bill before the House this evening.

It is also good to hear that the Deputy Prime Minister is intending to speak in this chamber on the value of water and the need to use it efficiently, and that he has accepted that it is his responsibility to do something serious about this question. But we should not forget that it has taken the Howard government—a government that likes to talk about its reform in terms of economic performance—nearly nine years to build on the 1994 COAG agreement, yet little progress has been made over that long period. It has taken the Howard government nine years to get to a committed position on the issue of water reform. Consider what has actually happened over that nine-year period: demand for water in Australia has increased; we have been gripped by drought; environmental issues such as salinity and land degradation have become paramount; and the community has become aware of the need to conserve and manage our water resource. Where has the Howard government been? During the recent election it all of a sudden discovered, for example, that the Murray is a major problem confronting Australia.

It is also the responsibility of states and territory governments to continue to press the Commonwealth government with respect to putting in place a proper National Water Initiative through COAG. The opposition condemns the Howard government in relation to the funding of the National Water Initiative because it has shown up the mean approach of the Howard
government in terms of actually working with the states and trying to get a genuine commitment and a corporative working relationship between state, territory and local governments in association with the Commonwealth government on this issue.

The truth is that the Howard government has failed in its core commitment to fund the water initiative with new funds. It is also important to note that the record shows that, in developing its water initiative, it has misled and cheated state and territory governments. The states correctly endorsed the water initiative and they rightfully did it in good faith on the basis, suggested by the Howard government in the lead-up to the endorsement of the water initiative, that this initiative would be funded with new money. The states worked on the basis that the Commonwealth would honour its commitment and provide adequate recognition to the serious issues at hand.

What do we find at the 11th hour? Right in the midst of the recent Commonwealth election, the record shows that the Howard government yet again reneged on its commitment, just as it reneged today on its commitment announced during the election to have finalised by 1 December the announcements it made with great fanfare about a Tasmanian forest industry policy. But 1 December has come and gone and the Howard government, despite a major announcement by the Prime Minister at Launceston about putting in place the details of that forest policy for Tasmania by 1 December, has breached its commitment not only to the working communities of Tasmania that depend on that policy for their future but also to the electors of Australia at large, because his announcement on forest policy was one that received widespread reporting in terms of trying to garner votes in the lead-up to 9 October.

That takes me back to the issues of promises and good faith. Instead of allocating new funds from a projected surplus of more than $20 billion, the Howard government has effectively robbed state and territory governments. In essence, it has robbed Peter to pay Paul by funding the water fund through the redirection of national competition payments and therefore potentially, post 2007-08, it has put at risk further progress on microeconomic reform at a national and state level. This decision also, I believe, flies in the face of cooperative Commonwealth-state relations. It calls into question the real commitment from the Howard government to water reform because it is robbing state and territory governments to pay for its policy. The end result is that the government has taken away from state finances what should be theirs to spend, as a result of their achievements on microeconomic reform, on education, hospitals, roads and other essential services. It is their money. They made the progress in accordance with a program of microeconomic reform originally initiated by Labor in government. This actually represents a dividend on that achievement for improvements in services at a state and territory level as a result of those agreements.

What are we left with at a state and territory government level? They are now expected to pay twice. They have lost the funds that were promised by the Commonwealth as a result of microeconomic reform and they are now expected to put their hands in their pockets again and effectively match the Commonwealth in participating financially in making progress on water reform. I do not accept that state and territory governments should have to pay twice. It is a Commonwealth problem in association with state and territory governments, yet the Commonwealth is putting no new money into its water reform strategy.

I would also say that, in terms of the national competition policy, which was initiated by the Keating Labor government, we should not forget that that reform yielded significant eco-
nomic benefits to Australia. I refer to the Productivity Commission’s recently published re-
view on national competition policy reforms. It reported that the national competition policy
has been a major contributor to Australia’s strong economic performance over the last 13
years. For example, it reports that for the five years from 1993-94 to 1998-99, more than half
of which was under the Keating government, productivity growth rates were the highest they
had been for some 40 years. In this period average household income grew by some $7,000.
The report also notes that productivity growth has been slow since 1999, the period of the
Howard government.

As pointed out by the state and territory premiers and chief ministers in their letter to the
Prime Minister of 16 September 2004, the Productivity Commission found in 1999 that com-
petition reform would generate some $4.6 billion in additional revenue for the Common-
wealth government. The significance of this is that, of this $4.6 billion, some 80 per cent re-
sults from state and territory government microeconomic reforms.

The Productivity Commission’s recent review of national competition policy reforms also
clearly supports this previous finding. The commission noted:
The increase in Australia’s GDP and national income has also resulted in a substantial increase in taxa-
tion revenue—as the NCP agreement on competition payments anticipated.
So it has been progress by state and territory governments that has earned them a right to
these national competition policy payments. It is therefore wrong that, after the state and terri-
tory governments have done the hard yards, the Howard government turns around and, under
the guise of water reform, in essence takes that money off them.

State and territory governments remain committed—as does federal Labor—to the water
reform process begun under the Hawke and Keating governments. It is Labor in action doing
the hard yards yet again. The difference is that Labor is always prepared to pay its way and
reward those who are prepared to do the hard work—in this instance, state and territory gov-
ernments—and it is always the conservatives who want to take the easy option and run away
from their responsibilities.

The unilateral decision of the Howard government to redirect national competition policy
payments demonstrates that the Howard government are not really interested in or committed
to the principles embodied in the agreement before the House this evening. It is also a further
example of the Howard government talking the talk but not being able to walk the walk be-
cause they are cowards when it comes to hard economic reform in Australia. They are more
interested in taking credit for reaching landmark agreements and announcing a series of infra-
structure projects than they are in delivering real benefits to the Australian community.

I note that National Party MPs seem more interested in announcing projects determined in
a corrupt political manner, to be funded out of funds, rather than doing the hard yards on the
ground to get it right by following due process, securing fair funding and working with the
states to achieve long-term goals. That is the real challenge to the Howard government with
respect to the water wise communities program. Will those grants be given in a non-political
way, or will they yet again be used for pork-barrelling purposes by the Leader of the National
Party, the Deputy Prime Minister, the Minister for Transport and Regional Services—the min-
ister responsible for the bill before the chamber this evening?
During the election campaign we saw the Deputy Prime Minister announce a $20 million project, the Macalister Irrigation District irrigation project, in the marginal seat of Gippsland, and De-Anne Kelly, the member for Dawson, who has recently risen to ministerial status, pledging an unspecified amount to the development of the Urannah Dam in the seat of Dawson. Where is the paperwork concerning the justification in terms of economic return to Australia for those projects pork-barrelled yet again during the election campaign? I simply suggest that they are probably writing the paperwork at this very moment. What happened to the due process in relation to these announcements? Is the water wise program going to be handled in the same way—that is, no due process, using taxpayers’ money for corrupt, short-term political purposes?

Mrs Gash—Mr Deputy Speaker, I raise a point of order. I object to finger pointing and the word ‘corrupt’.

Mr Beazley—Finger pointing?

Mrs Gash—Yes, finger pointing at us. And I think the word ‘corrupt’ is very unparliamentary.

Mr MARTIN FERGUSON—I had better put my hands in my pocket. I had no intention of intimidating the honourable member. I understand the importance of these issues.

Mrs Gash—It is a point of order.

The DEPUTY SPEAKER—I can rule on that. In terms of any person using gestures in the House, there is nothing I think that is threatening in relation to that—I have used them myself. I doubt that people could seriously be doing that. In terms of the word ‘corrupt’, as far as I know that word is not unparliamentary, and I will rule that way.

Mrs Gash—in the context that it was used I feel that it was unparliamentary and I would like you to reconsider that point of order.

The DEPUTY SPEAKER—My response to the member for Gilmore is that, in all my experience in this House and in listening to the proceedings of this House through most of my life, I have never heard any Speaker or Deputy Speaker take the position that the word ‘corrupt’ is unparliamentary. If we are to have robust debate, as the Prime Minister argues we should, I think that should be allowed, and I so rule.

Mr MARTIN FERGUSON—The sensitivity of the member reflects why I raised the issue of due process and the requirement for accountability and fairness to underpin the reform process.

Mrs Gash—Mr Deputy Speaker, I raise a point of order. It has nothing to do with the sensitivity of the member for Gilmore. I was merely pointing out a fact that I thought was very unparliamentary. I would like the member to retract that, please.

The DEPUTY SPEAKER—I call the member for Batman.

Mr MARTIN FERGUSON—Thank you very much, Mr Deputy Speaker, for your cooperative approach to debate in this House. I simply say in conclusion that there is a joint agreement between the Commonwealth and the states. The intent of the Commonwealth is to short-change state and territory governments, to deny them hard-earned dollars which should go to government services at a state and territory level. It is now the responsibility of the government to do the right thing, to rethink its announcement with respect to the funding and to
guarantee to the Australian community that there will be, unlike in government action in other programs in the Department of Transport and Regional Services, no corrupt manipulation of project selection processes. We want honesty and integrity—something that the Howard government is not known for, as has clearly been displayed during question time in the last couple of days with respect to the management of the Regional Solutions programs throughout Australia. They were corruptly managed during the election campaign, and time will show that we have a minister in charge of that who is incapable of doing the right thing by the Australian community. He is corrupt when it comes to pork-barrelling and the management of Regional Solutions programs in Australia. He is a disgrace to the Australian community.

Mrs Gash interjecting—

Mr MARTIN FERGUSON—I understand the member for Gilmore’s sensitivities. I would find it hard to defend his actions too, because he is misusing taxpayers’ dollars for political purposes. I commend the bill, the second reading amendment and the amendments to be moved by the member for Wills to the House.

Mr TICEHURST (Dobell) (6.13 p.m.)—The future of Australia will in many ways depend on how well we use our finite natural resources—particularly our scarce water resources. Water is so important to all Australians. Our country is the driest inhabited continent. While we have around five per cent of the world’s landmass, we have only one per cent of the world river flow. As more and more families escape the flurry of Sydney for the relaxed way of life in my electorate on the New South Wales Central Coast this rapid population growth is placing pressure on our local water resources. Indeed, population growth throughout Australia and its variable climate are placing pressure on water availability for all Australian cities and towns.

The Australian government has established the National Water Initiative, which will play a vital role in protecting and improving our dwindling water supplies. The National Water Initiative was signed by the Australian government and state and territory governments—minus Western Australia and Tasmania—at the Council of Australian Governments meeting on 25 June this year. It will be possible for Western Australia and Tasmania to become parties to the National Water Initiative at a later date, should they wish to do so. The National Water Initiative sets out the processes for ongoing implementation of water reform actions, and central to this is the establishment of the National Water Commission.

The purpose of this bill is to establish the National Water Commission as an independent statutory body with two key functions: firstly, assessing the implementation and promoting the objectives and outcomes of the historic National Water Initiative intergovernmental agreement and, secondly, advising on financial assistance to be provided by the Commonwealth under the Australian water fund.

The establishment of the commission will enable timely delivery of our election commitments, the Water Smart Australia and Raising National Water Standards programs. I have no doubt that this pact between federal and state governments will pave the way for major national water reform. Establishing the commission demonstrates the government’s strong commitment to getting on with the job. It shows the government’s commitment to implementing the National Water Initiative, improving water resource management in Australia and providing $2 billion in financial assistance over five years to accelerate the development and uptake of smart technologies and practices in water use across Australia. The coalition govern-
ment’s $2 billion Australian water fund will build a water smart Australia, raise national water standards and create water-wise communities. The first two elements of the Australian water fund will be administered by the commission and the latter by the Department of the Environment and Heritage.

Under the Water Smart Australia program $1.6 billion will be invested over five years to accelerate the uptake of these technologies across Australia. Funds will be made available directly to projects, taking into account the financial contribution offered by local government bodies, state and territory governments and/or industry. To gain greatest effect from these investments, competitive bidding will be the primary mechanism for allocating grants. This process will ensure that the Australian water fund is used directly on projects and that funds are not diverted to unnecessary and wasteful administration.

Locally, we are very keen to get a share of the federal funding to assist our options to improve our diminishing water supply. I am very pleased to see that both Central Coast councils are taking a joint approach to obtaining funding under the $2 billion water fund. In fact on Monday the joint Gosford-Wyong water authority will have the opportunity to meet with the Minister for the Environment and Heritage, Senator the Hon. Ian Campbell, to discuss and put forward their funding proposal and options for improving our water supply for evaluation and comment by the minister. On behalf of Gosford and Wyong councils, I say a big thank you to the minister, who kindly fitted us into his busy schedule. In addition to and building on the Australian government’s involvement in solving the environmental problem at Tumbi Creek, Wyong Shire Council and I are keen to examine the processes for gaining Commonwealth support for further environmental works on the Tuggerah Lakes system.

Senator Ian Campbell, during his visit to the Central Coast in September, established that the Tuggerah Lakes could be one of 20 projects to be managed under the federal government’s $2 billion National Water Initiative over the next year. My electorate would be delighted with this sort of assistance, and I would be very grateful to work closely with the minister in the coming months to protect and restore the jewel of the Central Coast—that is, Tuggerah Lakes.

Our water catchment is our most precious asset on the Central Coast and it is something we must work hard to protect. I will continue to work with all levels of government to ensure that this happens. Hundreds of millions of dollars will be poured into Australian local governments to help them improve water management practices as a result of the coalition’s water policy and it is my intention that the Central Coast gets its portion of the funding pie.

This program is great news for councils that have historically lacked financial resources for new and innovative water projects and was a means by which the federal government could fund a wide variety of projects. Examples of the types of projects that would be eligible include improving river flows; on-farm water use efficiency improvements; desalination of water for use in cities and towns; recycling and reuse of stormwater and grey water; more efficient storage facilities, such as underground aquifers; alternatives to ocean outfalls and better management of sewage in our coastal cities and towns; improvements in irrigation infrastructure; and developing water efficient housing design.

Ironically, while the Australian government continues to work closely with local councils across Australia, achieving real on-the-ground results for communities, it is disappointing that the state government never came to the party locally. Particularly when it came to providing a
one-third share for funding for the dredging at Tumbi Creek, the state government was not to be seen. My constituents are very grateful for the Howard government’s generosity that allowed us to double our funding and offer $1.3 million to cover the federal and state share of the funding.

Now, returning to the matter at hand, better management of water demands better information and better capacity for measuring, monitoring and managing our water resources. The Howard government recognises that we need to lift Australia’s national capacity to manage water resources if we are to achieve our National Water Initiative outcomes. The coalition government will therefore invest $200 million over five years to support a nationally consistent system for water management under the Raising National Water Standards program.

This would involve water accounting, including automated data collection at monitoring stations; national standards for water accounting and metering; and improved hydrologic modelling of priority water sources. A nationally consistent system for collecting and processing water related data is important to create confidence in decisions by investors in the water market and the water industry, more broadly.

Secondly, as information on ground water resources is currently patchy, which can lead to poor resource management, the program would look at strategic ground water assessment. Thirdly, the program would involve working with local communities to improve the conservation of high environmental value water systems. Through planning, voluntary conservation agreements and improved knowledge, we can avoid the kinds of costs in remediation we have seen, for example, throughout the Murray-Darling Basin. Finally, there would be a water efficiency labelling scheme for household water appliances, and development and implementation of the ‘smart water mark’ regime for household users.

The Water Wise Communities program completes the coalition’s $2 billion water fund and builds on other initiatives to improve the use and quality of our resources. As I said earlier, this branch will be administered by the Department of the Environment and Heritage, in conjunction with the Department of Agriculture, Fisheries and Forestry. Interest within my electorate about this initiative that promotes a culture of water wise use has been phenomenal. The response I have had from my constituents—letters and phone calls—seeking information on how to get involved in this important initiative has been second to none. It is a delight to see people eager to get involved in water use efficiency.

Local communities, local businesses and local government play an important role in the efficient use and storage of our precious water resource. By acting together, nationally and locally, we can improve the management of our water resources to deliver on-the-ground results that meet the needs of our rural and urban communities, our industries and our environment. The National Water Initiative sets the basis for water access entitlements, best practice water pricing, water resource accounting, urban water reform, community partnerships and adjustment. When fully implemented, it will result in a nationally compatible market and a regulatory and planning system to manage surface and ground water resources for rural and urban use, and it will lead to major national water reform. The National Water Initiative and the creation of the commission demonstrate the government’s dedication and commitment to reforming water resource management across Australia.

The government’s $2 billion Australian water fund builds on the coalition government’s investment in the $3 billion Natural Heritage Trust, the $1.4 billion National Action Plan for
Salinity and Water Quality, the successful Greencorps initiative, the National Landcare Program and the Envirofund. Due to its sound economic management, the coalition government can make significant investments in water solutions and deliver more on-the-ground results for current and future generations. Through the coalition government’s leadership, the signing of two historic water agreements—the National Water Initiative and the Living Murray initiative—has set the national water reform agenda for the next 10 years and beyond. These coalition led agreements have laid the foundation for increased agricultural productivity and better environmental outcomes. They will lead to improved management of our water resources across the country and into the future. The Australian government, local communities, farmers and industries are getting on with the job of improving our land and water management. This is a fund for practical, on-the-ground water solutions. This bill will make a real difference to our water efficiency. It will create opportunities for our industries, for investment and for jobs, and it will protect and restore our environment. I commend this bill to the House.

Mr ALBANESE (Grayndler) (6.24 p.m.)—I am pleased to speak on the National Water Commission Bill 2004. This bill establishes the National Water Commission as an independent statutory body, with two key functions: firstly, assessing the implementation and promoting the objectives and outcomes of the National Water Initiative intergovernmental agreement and, secondly, advising on financial assistance to be provided by the Commonwealth under the Australian water fund. As my colleague the member for Wills has noted, Labor are supporting the bill, but we do have an important second reading amendment, as well as a specific amendment to provisions of the bill.

The development of a framework to address the efficient and sustainable management of Australia’s water resources has been on the agenda of federal governments since 1994. Once again, it was a Labor government that put a big issue on the Australian political agenda. In 1994, the Council of Australian Governments agreed upon a strategic framework for necessary water reforms covering water pricing, institutional arrangements, sustainable water resource management and community consultation. In my view, the government has failed to deal with water issues with an appropriate sense of urgency, allowing the COAG water reform process of 1994 to stall and failing to provide any environmental flows for the Murray in the more than eight years it has been in office. This is on top of the government’s failure to take seriously the threat of climate change to ongoing water supplies for our farmers and our rivers.

It is well accepted that the issues of climate change and water use are closely connected. The failure of the government to engage in the international debate over climate change is a disgrace. It is simply not good enough for an advanced industrial country such as Australia to bury its head and behave selfishly in relation to what is clearly the world’s greatest environmental challenge. I note that the Howard government Minister for the Environment and Heritage, Senator Ian Campbell, has described himself for many years as a sceptic on global warming and climate change. I note that this has changed somewhat recently. In an interview on the Insiders program on 25 July this year, Senator Campbell stated that he was not a sceptic any more. He now describes climate change as ‘the biggest environmental challenge’. Well, hallelujah! Welcome to the sane world of environmental policy debate, Minister. Once the minister was provided with a bit of factual information and a bit of science, he stated in that interview that Australia was ‘well placed to play an important role’ in addressing climate change.
change. Like many Australians, I therefore look forward to the government joining the overwhelming majority of the advanced industrial world and ratifying the Kyoto protocol. Such a step would be playing an important role, but I will not hold my breath.

As with most things this government does on the environment, its words are vastly different to its actions. The debate is taking place on 1 December. This was the day when the government, according to its own deadline, in its policy and in the Prime Minister’s statement in Tasmania on 6 October, was going to release the detailed maps outlining precisely what areas of the great Tasmanian forests would be saved. This was the day when we would get the details of the 170,000 hectares. That day is today, and yet again there is no response. That was the government’s self-imposed deadline, and the environment minister says that that timetable was ambitious. It was the minister and the Prime Minister who set that deadline, but, once again, it was all about politics, not about substance, just like the government’s approach to the critical issue of water.

Nevertheless, the bill before us today is a small step forward. Adopting strategies for managing our water use is clearly worth while, albeit overdue. Setting up the National Water Commission is a good idea. However, in isolation and without a proper policy connection to the phenomena of climate change and other issues such as deforestation, land use, sustainable energy and pollution, the government’s broader water policy is not comprehensive and risks not meeting its own targets as a result of in-built flaws. It is now well accepted by governments, scientists, the community and now even the Howard government’s new Minister for the Environment and Heritage that the emission of greenhouse gases associated with industrialisation and strong economic growth from a world population that has increased sixfold in 200 years is causing climate change and global warming at an alarming rate.

The rate of global warming is simply unsustainable in the long term. I agree with the British Prime Minister, Tony Blair, that, by ‘long term’, we do not mean centuries ahead. The impact will be felt within coming decades unless steps are taken to arrest global warming. Indeed, we are witnessing at present the significant impact of climate change. When I say ‘unsustainable’, I am agreeing that global warming is not a phenomenon which will merely cause problems of adjustment. Global warming is a challenge so big and irreversible in its destructive power that it could radically change our planet. The impact of climate change on water supplies for our farmers and our rivers is a very real threat. It should never be understated. Issues such as evaporation rates are very real issues for water users. For example, a rise of less than one degree Celsius significantly impacts on water volume.

Climate change and its impact on fundamental issues such as water supply is a real problem that requires courage and vision if it is to be dealt with. Unfortunately, both of these precious political commodities are in short supply in the Howard government. The Howard government prefers to play short-term politics with such issues. As British Prime Minister, Tony Blair, stated in a major speech on climate change on 15 September this year:

… the challenge is complicated politically by two factors. First, its likely effect will not be felt to its full extent until after the time for the political decisions that need to be taken, has passed. In other words, there is a mismatch in timing between the environmental and electoral impact. Secondly, no one nation alone can resolve it. It has no definable boundaries. Short of international action commonly agreed and commonly followed through, it is hard even for a large country to make a difference on its own.
The words of Prime Minister Tony Blair have resonance not only on the important issue of climate change; they also underscore my earlier point that government policy on all major environmental matters, be it water policy or climate change, must take a holistic and systematic approach to the issue and the proposed solutions.

Historically the development of Australia’s water resources has brought benefits to all Australians. However, past policies and investments have not always recognised our variable climate and river flows or the natural limits of our rivers and landscape systems. It has been accepted for many years that Australia needs a national water policy framework that articulates a long-term vision for the management of rivers and water resources across the nation. This policy must meet the needs of our rivers, industries, rural people and urban communities for generations to come. It is only with such a long-term approach that we can sensibly and sustainably manage the use of water in Australia. Our approach must not only address resource security and river health but it must also embody sound science and respect the interests of water users.

This approach to water use was set out in a landmark joint statement issued by the National Farmers Federation and the Australian Conservation Foundation on 23 July this year. These two groups are not ones who put out that many joint statements. The only other one I can think of was in relation to Landcare and that was more than a decade ago. So, when these two respected organisations put out a joint statement on a matter of critical national importance, it is worth taking a close look at it. Their statement has a direct bearing on the bill before us today. The joint NFF-ACF statement calls on the government to commit to implementing a robust national framework providing guaranteed and tradable water entitlements with strong safeguards for river and landscape health into the future; establish a Commonwealth-state fund and plan to achieve ecosystem health and sustainable water use with defined structural adjustment, particularly within the Murray-Darling river system, over the next 10 to 15 years; establish an audit and assessment of our northern rivers to inform future decision-making, planning and the sustainable development of new opportunities; implement a national heritage rivers reserve system to protect rivers of agreed high conservation values over a 10-year period; and ensure a secure new source of funds to help address these and other environmental and natural resource management needs.

In general terms, I agree with this approach. In the same way that our response to climate change would throw up opportunities for the development of alternative energy sources, so should a positive response to the challenges of water use and management create new opportunities. For example, to draw on some of the good research done by the NFF and the ACF, reforming our water entitlement and trading systems would unleash dramatic improvements in water efficiency and productivity, facilitate investment and help to achieve our environmental objectives. Securing river health, through improved flows and science based management, would benefit not only the environment but also agricultural industries and recreational users. Strategic investment in a long-term water policy would build confidence, catalyse better use of our resources, enhance the opportunities and resilience of rural communities and provide significant benefits to the nation as a whole.

Unfortunately, the government’s policy on water did not rise to the challenge. As I noted earlier, in 1994 COAG agreed upon a strategic framework for necessary water reforms covering water pricing, institutional arrangements, sustainable water resource management and
community consultation. Most states and territories signed the National Water Initiative agreement in June 2004.

A division having been called in the House of Representatives—

Sitting suspended from 6.36 p.m. to 6.49 p.m.

Mr ALBANESE—The aim of the government’s belated National Water Initiative is to develop a nationally compatible market, regulatory and planning based system of managing surface and ground water resources for rural and urban use that optimises economic, social and environmental outcomes. In September 2004, during the election campaign, the Prime Minister finally released the Liberal Party’s long-awaited water policy, Securing Australia’s Water Future. The policy revealed that, of the total money pledged for the fund, the government expected the states to contribute $1.6 billion from funds allocated to them under the National Competition Principles Agreement. Not surprisingly, the state premiers reacted to this. This decision was quite clearly in breach of national competition policy agreements. Such is the Howard government’s weak commitment to this critical area of national policy that, after dilly-dallying for eight years, it now wants to play chicken with the states over the money.

The policy is the government’s primary water program, targeting water use efficiency, recycling and reuse. This policy is a basis for delivering the Australian water fund a $2 billion program over five years. The Commonwealth is now establishing the National Water Commission to drive the national water reform agenda. The National Water Commission will be an independent statutory body responsible for providing advice to COAG and the Commonwealth on national water issues and to assist with the implementation of the National Water Initiative.

This bill assigns the commission the dual role of assessing the progress of Australian governments in water reform and advising on and administering Commonwealth financial assistance under the Australian water fund. While Labor will ultimately be supporting the bill, the government’s water policy has a number of specific flaws which I would like to touch on briefly. Firstly, the smart water fund has been committed to the series of projects listed in the election policy paper. Surely this undermines the policy commitments that projects will be assessed on a competitive basis. Secondly, the government has made it clear that its water wise communities program will support projects up to a value of $50,000. The water wise communities program has a total value of $200 million over five years. This will mean that more than 4,000 projects will be administered by the department. To put it mildly, it is very unlikely that there will be much project quality control and accountability for this expenditure. Thirdly, there is limited focus on securing and returning environmental flows to stressed systems. As a result, project funding is skewed to private benefit. Fourthly, a major criticism of the Natural Heritage Trust has been that catchment and bioregional investments have been made in the absence of clear, measurable environmental quality targets.

This $2 billion Australian water fund potentially cuts across the targets based approach of regional delivery, ignoring the important lessons that have arisen from the Natural Heritage Trust. Unless spending under the Australian water fund is linked to time lines and targets for river health, the fund could well be wasted—like water down the drain, if you excuse the analogy. I sincerely hope it is not, but the structure of the fund gives serious concern it might be wasted. As we have seen with the government’s sorting of federal funding for regional projects during the election campaign, its attitude to the basic principles of financial management
and accountability is one of arrogance. There are many issues and questions that should have been addressed by the government in the development of its water policy and management of the Australian water fund. These issues go to the heart of how good public policy should be developed and how public money should be managed. I am sorry to say that, on both counts, the government has let Australia down.

I would like to finish my comments on the National Water Commission Bill and national water policy in general with some comments about the urgent plight of the Murray River. It is of utmost importance that federal and state governments sort out their differences and come together again on water and place restoring the Murray to health as an urgent priority. The ACF and numerous other environmental and community groups are calling for the government’s national water policy to ensure the Murray and other river systems are restored to health while supporting efficient and productive water use for farmers.

A leaked Murray-Darling Basin Commission report on the decline of the Murray River red gums highlighted the consequences of a failure to act on river health. This leaked Murray-Darling Basin Commission report shows the number of river red gums counted as stressed, dying or dead has risen from 51 per cent to 75 per cent just over the last 18 months. I agree with the ACF that these findings are alarming. The federal government must take urgent action to save the Murray’s red gums and floodplains.

The stand-off over funding for the National Water Initiative must be resolved and the desperate plight of the Murray must be dealt with urgently. The Murray is Australia’s most important river and it is on its last legs. In November 2003, the federal government committed to giving the Murray 500 billion litres within five years. So far, no water has returned to the Murray—not a drop. Earlier in 2004, Labor made an election commitment to allocating $500 million over four years to secure increased flows for the Murray. Labor’s commitment included adding 1,500 gigalitres in annual environmental flows into the Murray. That is the equivalent of adding three times the volume of Sydney Harbour. We remain committed to taking leadership and direct action on saving the Murray River.

The desperate plight of the Murray River has been on the national agenda for many years. However, it has taken the Howard government more than eight years to bring together a policy framework for addressing its plight and the broader issue of water management. As I said earlier, these issues go to the heart of how good public policy should be developed and how public money should be managed. I am sorry to say that on both counts the government has let Australia down. It would be a good start if the Howard government stopped dilly-dallying and playing chicken with the states over the funding. The federal government has to take responsibility for the delays. Its lack of leadership and accountability on these issues is telling. These issues are ones of national importance and they are for the national government to show leadership on and to resolve. The fact that there is not a single National Party member participating in this debate—it was moved by the Deputy Prime Minister but there is not one National Party member on the speakers list—shows the contempt that the National Party have for regional and rural Australia. I urge members to support Labor’s amendments to this bill.

Mr NAIRN (Eden-Monaro—Parliamentary Secretary to the Prime Minister) (6.57 p.m.)—The introduction into this parliament of the National Water Commission Bill 2004 will in time be seen as a significant step in Australia’s history, as it is part of this country’s move to achieve sustainable use of our water.
During the last parliamentary term, most of the states and territories agreed, along with the Commonwealth, to the National Water Initiative. This in itself is a significant achievement. However, cooperation between governments on this matter must continue if real progress is to be made. The bill establishes the National Water Commission. This will be a statutory body with seven commissioners, four nominated by the Commonwealth and the other three nominated by the states. The National Water Commission will have two main roles. The first role involves assessing the implementation and promoting the objectives and outcomes of the National Water Initiative intergovernmental agreement. The second is advising on the financial assistance to be provided by the Commonwealth under the Australian water fund. The importance of that first point cannot be overstated. We know that in Australia we have incredible variations weather wise and incredible variations in access to water. We have floods in the north at times when there is absolute drought happening elsewhere. When you look along many of the coastal parts of Australia there is rain falling one day and so much of it is in the sea the next day.

We have competing interests right across the nation. We have quite substantially growing cities. I was talking with my colleague the member for Fairfax the other day. He was telling me that in his region about 1,500 new people every month go onto the electoral roll, which gives you some idea of the incredible growth of that part of Australia. Irrigated agriculture is another competing interest. We need to be drought proofing many of our other agricultural industries. Salinity also has to be dealt with. In the last parliament I chaired the Standing Committee on Science and Innovation and the last report we did was into salinity and the science behind many of the problems.

Mr Hatton—It was a good report.

Mr NAIRN—It was an excellent report, as the member for Blaxland says. He assisted with that report, which we are awaiting a response to. It was brought down not long before the election and contains some great recommendations. Those recommendations are relevant to this bill and I know that the government will be considering those recommendations.

There are so many competing interests with climate change and the environment. If we do not get this right now, the country will suffer not for decades but probably for hundreds of years. The National Water Commission will really be the key driver to address these issues. It will evaluate progress and implement outcomes, objectives and actions of the National Water Initiative and report to COAG. It will assess commitments under the national competition policy water reforms and it will undertake an initial stocktake of Australia’s water resources and water management arrangements.

The reason for the National Water Commission being established within the Prime Minister’s portfolio, even though the real work over a long period of time towards this was done by the Deputy Prime Minister, is that issue of COAG; it really needs to be done at that highest level between the Commonwealth and state governments. But I emphasise the incredible work done by the Deputy Prime Minister to get this to this point. Right at this moment he is in the House of Representatives alcove area launching senior research fellowships for Land and Water Australia. He takes such a strong interest in all aspects of water and I know he is keen to see this bill passed by the parliament.

The second role of the National Water Commission relates to the Australian water fund. There are three programs in all in that fund: the $1.6 billion water smart Australia, the $200
million raising national water standards program and the $200 million water wise communities. The member for Grayndler rabbited on earlier about details of water wise communities. That program will be administered by the Department of the Environment and Heritage and the Department of Agriculture, Fisheries and Forestry. The first two of those programs will be the subject of responsibility by the National Water Commission.

Some of the projects that would be eligible under the $1.6 billion water smart Australia program were set out in a document we put out during the election campaign. It covered things such as improving river flows, on-farm water use efficiency improvements, desalination of water for use in cities and towns, the recycling and reuse of stormwater and grey water, more efficient storage facilities such as underground aquifers, alternatives to ocean outfalls, better management of sewerage in our coastal cities and towns, improvements in irrigation infrastructure, and development of water efficient housing design. A full range of projects could be funded under this program. When we look at all of those programs together, we get the whole picture. It is not just about water storage or water efficiency in the way it is used; it is about its treatment, its reuse and ensuring that the whole cycle is as efficient as possible.

Things that could be involved under the national water standards program include water accounting. A nationally consistent system for collecting and processing water related data is needed—so that could be one part of it. Strategic ground water assessment is another aspect. By working with local communities, we can improve the conservation of high environmental value water systems—and some studies have really emphasised this—so some planning work can be involved in that. Water efficiency labelling schemes could be involved—the establishment and promotion of a six-star rating for household water appliances and the development and implementation of a ‘smart water mark’ regime for household gardens, including garden irrigation equipment, garden designs and plants. That is setting some of the standards that we want to see applied not just in some parts of the nation but right across the board, and there is $200 million over five years to support that program.

Already I think there have been a number of projects identified that could be funded under the water smart Australia program. Some of those projects, which I am sure will be of interest to many of the members in the House, include ‘waterproofing’ Adelaide through capturing, storing, using and reusing stormwater or through greater reuse of effluent, thereby placing less demand on the River Murray. I do not think anybody would deny the problems that Adelaide has had for a long time. Anybody who visits Adelaide knows that it is always a bit iffy about its water. Hopefully we will see in the future that people will not recognise Adelaide in that way.

Other examples could include cost-efficient recycling of water to provide increased water supply and better environmental outcomes, such as the Mackay water-recycling proposal, the South-East Queensland water use efficiency and recycling program or the use of high-quality recycled water from the Melbourne Eastern Treatment Plant, aimed at closing the Gunnamatta outfall. Projects could include improving water use efficiency in new urban developments and improving irrigation channel systems. There are a number of those systems, and probably the standout one is the Wimmera-Mallee pipeline proposal.

Currently we have so many of those channels in open areas, so much evaporation and so much loss. That is a major project that could come in under this program. Projects could include investment in new channel control technologies, applying desalination technology in the
appropriate areas, improving accounting for water use, and increasing understanding of how our rivers, wetlands and estuaries work. There is some work up in the Queensland river areas particularly in relation to that. Also, there should be a recognition that levels of water extraction in excess of what is sustainable cannot continue, and in some instances targeted assistance to individuals and communities may be in order. There could be quite a number of projects, and I know that there will be many others that members will bring forward.

In my own electorate there are already quite a number of obvious areas that need assistance. My whole electorate currently, for the first time ever, is the subject of exceptional circumstances assistance because it has been in drought for so long. Every square kilometre—every square inch, in fact—of my electorate of Eden-Monaro has exceptional circumstances at the moment, which tells you about some of the problems that we have, water wise. Down on the coast, both the Eurobodalla and the Bega Valley councils have problems with water, and they will be exacerbated over the coming weeks as so many of the people who live in Canberra and elsewhere flock to the coast for the Christmas period and put an additional strain on those areas.

But there are some really interesting projects already coming forward. Last week, for instance, I met with some of the directors and other staff of Bega Cheese. They are trying to help their farmers to achieve very efficient use of water on farms to maximise their output but at the same time to have the best possible environmental outcome as well. Industry is working with local government which is working with, hopefully, state government and hopefully also with federal government to package those sorts of situations together so that it is a question not just of getting some more water for a particular farm but of the whole process—starting with capturing some of the water that is disappearing out to sea within 24 hours so that it can then be efficiently used for agricultural production and also for a better environmental outcome.

The Cochrane Dam on the Bemboka River, where quite a number of the farmers basically control the level of flow from that dam, is probably a good example of that now. Right through this drought period of the last couple of years, through good management of that water, they have been able to keep flows in the Bemboka River for environmental purposes and still irrigate their farms in part as well—right through that very dry period. If we could extrapolate that good management right across the Bega Valley, everybody would benefit.

Other parts of my electorate—Nimmitabel, for instance; a little town between Cooma and the coast—have been on level six water restrictions almost constantly, or at least on and off, for the last couple of years. Level six restrictions mean that you cannot put anything on your garden. In fact, at one stage they had council staff out there checking water meters to make sure that nobody was using too much water. It was that bad. Fortunately, there is a bit of water in the McLaughlin at the moment and they are all able to have a shower regularly now, which they could not do for some time. So there are some real problem areas, and I know this is duplicated right across the nation.

We have a problem in Queanbeyan with water, but that is probably more a case of the ACT and New South Wales governments needing to finally get down and talk. At the moment, the ACT government, through their arrogance, are virtually acting as de facto planning approvers for anything happening in Queanbeyan. They are preventing virtually any new development in Queanbeyan. That needs to get sorted out ASAP. This is all part of the water issue.
I will have an ongoing involvement in this over the coming months and years, having been appointed Parliamentary Secretary to the Prime Minister and this being within the Prime Minister’s portfolio. He has asked me to assist him to further this initiative. Certainly, I have an interest for a variety of reasons. Firstly, what is happening in my own electorate will keep me on the ball with work on this; that is for sure. Secondly, as I mentioned before, there was my role in chairing the House of Representatives Standing Committee on Science and Innovation and the work we did on salinity in the last parliament. The third area is my former profession. As a surveyor and a mapper, there are many aspects of this that I have a particular interest in.

In fact, my old professional industry body, which is now called the Australian Spatial Information Business Association and which was previously the Association of Consulting Surveyors—which I was the deputy chair of prior to being elected to parliament in 1996—did a consultancy for the Deputy Prime Minister, along with ACIL, to look at the issues of property rights with water. They put together an excellent report to the Deputy Prime Minister looking at similar use of the Torrens type system and applying it to water. These are going to be real issues that we have to grapple with in the coming time. Some great work has been done by my old profession in assisting in that way.

I am a bit amused, I suppose, by the feinted opposition that the opposition have shown to this bill with their amendment. If you read it, you will see that it is not really an amendment; it is just a political statement on the bill. I guess it is their right to do that. But I think it would be better if they would just come on board and work with us on this. They always bring up climate change and Kyoto. It seems that there may be some conflict between the member for Wills and the member for Grayndler. I am not sure who is the shadow minister for the environment, but I know that the member for Wills always trots out the old comment: ‘Sign Kyoto and you solve all the problems of the world tomorrow.’ I guess it is a bit like the situation during the election campaign, when the Labor Party were lacking any economic credibility, so the powers that be said, ‘Quick, Mark, race out and sign a piece of cardboard and that will give us credibility.’ People think that signing the Kyoto protocol solves all the climate problems overnight, which is just a nonsense.

It also seems that, when the opposition talk about the issues of water and the environment, the only thing they can ever talk about is the River Murray. It is as if the River Murray is the only river that exists in Australia. If you look back at some of their speeches, you will see that they always go back to the River Murray. In this so-called amendment they criticise the funding aspect of the legislation and say that the money was earmarked for schools and hospitals. But they forgot to mention in the election campaign that the Labor Party were going to use the same money from competition payments to fund Medicare Gold. So they were going to use money for something that was totally unsustainable. We are using money for something that will give us a sustainable use of water for the future.

The Howard government has the runs on the board with the National Water Initiative, but the innings has only just begun. Ensuring the sustainability of water use will require a team effort. The team is ‘Team Australia’—not just the Australian government but all the governments of Australia need to be part of this team. There is much more to do, and I look forward to working with the Prime Minister, other colleagues and the states and territories in addressing the most important issue facing our country over the next few years. This bill is a further step in the process, and I commend it to the House.
Mr GAVAN O’CONNOR (Corio) (7.15 p.m.)—I am very pleased indeed to participate in this debate on the National Water Commission Bill 2004, and I am really pleased to see the new-found interest of the Liberal Party in water issues. The question I would put to this chamber today is: where have you been for the past eight years? I think it is symptomatic of the confected concern that you have for water and for rural communities that the National Party are not even represented in this debate. No wonder they are going backwards in rural and regional areas, and no wonder members on the Liberal back bench are always getting in our ear about how they would like to be rid of the National Party if they could.

You only have to be around this place for a couple of years to realise that the National Party is not only on the nose in rural communities but on the nose in the coalition itself. Now I think you could fit them all in a phone box. I would have thought that at least one of them would have slipped out of the phone box, come into the Main Committee and participated in the debate on the greatest issue that the country is going to face. That is according to the honourable parliamentary secretary to the Prime Minister. So I say to the honourable member for Dobell, who is here holding the fort for this ramshackle government that has just been re-elected: go out and drag the National Party members in here to participate in this debate if it is so important and so significant to this country.

This bill finally brings to fruition the process of water reforms started by Labor more than a decade ago and first formalised by COAG back in 1994 as the strategic framework for the efficient and sustainable reform of the Australian water industry. Let there be no doubt about this particular fact: it was Labor in government that had the vision to start this process. Labor in government was the visionary in tackling what the parliamentary secretary now says is the greatest issue facing Australia. That was back in 1994—a decade ago. The issue of water reform fell right off the agenda during the first two terms of the Howard government. During this period, the government took its collective eye off the ball as far as COAG and water reform were concerned. The honourable member for Franklin came into the House in that fabulous class of 1993. In 1994, this issue was put fairly and squarely on the national agenda by Labor in government.

What did the newly elected Liberal Prime Minister do in his first term in office, which began in 1996? He shied away from COAG like Dracula from a stake. He would not go near COAG to deal with what the parliamentary secretary now says is the most important issue facing Australia today. If it is important now, it was doubly important that we got on top of this issue back in the mid-1990s. We have effectively lost years because of the sheer incompetence and the lack of vision and political will of this government.

In 1996 the Labor government handed this government a unique opportunity to deliver real long-term water reform. But, as history has shown, instead of picking up the issue and running with it the government allowed this issue to fall right off the radar. Instead of action from this government on this issue vital to our national interests and vital to every urban and regional Australian, we have had eight wasted years. Luckily, the issue never fell off our agenda. It never fell off our radar and it did not fall off the radar of organisations such as the National Farmers Federation and the Australian Conservation Foundation.

It took until 2003 for the Howard government to give this issue the recognition it deserves. It took until August 2003 to get to the point of reaching agreement with the states on the key elements of the National Water Initiative. Then you tried to portray it as a national water ini-
tiative when it did not even have the state of Tasmania and the state of Western Australia in the cart. You can waste $100 million on useless advertising to save your political skins and get you re-elected but you cannot turn a few tens of millions of dollars the way of the states of Tasmania and WA, with their unique water problems and situations, to get them in the cart for a truly national water initiative.

If the Prime Minister had maintained the momentum on water reform that he inherited from Labor, we could have been at the point we are at now six years ago. We should have been having this debate back in 1997 and 1998. But at least now—and thank goodness for small mercies—we have dragged the coalition, as we always do, into the 21st century to confront the real issues facing Australia today. At least we have this bill on the table to debate.

The bill before us today establishes the National Water Commission as an independent statutory body and it gives it two key responsibilities. The commission will assess the implementation of the National Water Initiative intergovernmental agreement and will promote its objectives and outcomes. It will also advise the government on expenditure under two of the three programs of the Australian water fund. The water smart program will accelerate the development and uptake of new and better technologies and best practice in the use of water in urban, rural and regional Australia. Why has it taken until now for us to have a water smart program for urban areas? Every time it rains in my electorate of Corio I like getting out and having a run in the rain—I am an old country boy. I run with my clothes on. I go out and have a run in the rain. I go down to Rippleside Park and there is the stormwater belching into the bay. Of course, on more than one occasion I have taken myself out of the political arena and, as John Citizen running at Rippleside Park, I have asked, ‘Wouldn’t it be wonderful if we had a government with vision that would establish a water smart program so that we could address this particular issue of waste and reuse of urban water?’

I guess it is great that the coalition has finally woken up to the fact that we have to get smart with the science and innovations to not only get on top of this problem but also create real wealth in regional as well as urban areas from the technologies that are going to spin off from this national effort. The raising national water standards program will provide funds to improve the way we measure, monitor and manage our water resources. Thank goodness for that particular element of the program. A third program, water wise communities, while part of the Australian water fund, will not be a part of the remit of the National Water Commission. Instead, it will be jointly administered by the Department of the Environment and Heritage and the Department of Agriculture, Fisheries and Forestry.

To my knowledge, the National Party minister who handles the Agriculture, Fisheries and Forestry portfolio is not participating in this debate. Of course, he has had the water issue, like so many others, taken out of his area of responsibility and now it is in the Prime Minister’s responsibility so that he can try to drive some action on this issue. How incompetent can you be? I would hate to be in the minister’s position, to have this key area of policy snatched away from me by a Liberal Prime Minister who points the finger, pats the head and says: ‘Sit down over there. I’ll handle it now, you dill. You’ve done nothing over a long period of time and now it is time for some real action.’

Labor has some quite general, and some quite particular, concerns with this bill. The general concerns were dealt with in the second reading amendment flagged by my colleague the member for Wills. Our second reading amendment, which has already been read to the House,
expresses concern about the threat of climate change; the government’s failure to deal with water issues with an appropriate sense of urgency and to adopt Labor’s national water policy framework; and the government’s plans to fund the Australian water fund by snatching money away from the states. These particular issues have been alluded to in the debate already.

As always with this government, the devil is in the detail. We are concerned that under this legislation, in its current form, the role of the parties to the agreement—in essence, COAG—in choosing and appointing commissioners and in determining spending priorities under the Australian water fund will be very limited. In effect, the Commonwealth has the final say on the appointment of commissioners, even those representing the states and territories, which is dealt with in clause 8 of the bill. It seems to have the only say with respect to expenditures from the Australian water fund, dealt with in clauses 7(5) and 24(1) of the bill.

I am particularly concerned about the impact of confidentiality provisions contained in clause 44. I know every member on this side of the House, given the propensity of the Prime Minister and his ministers to rort these particular programs blind, has fairly legitimate concerns that ought to be tabled here in this debate and considered by the government. It is absolutely imperative that the decisions and recommendations of the National Water Commission are open to public scrutiny from urban communities, farm communities and regional communities as well.

Clause 44 requires that the assessment made by the National Water Commission can only be made public with the agreement of the federal minister. You never stop, do you? You never stop laying the groundwork to rort program after program—and you have got form. If we were to go back over the past decade, as far as Australian politics is concerned, the crass rorters of programs that should be there for the Australian people and in the national interest have been coalition ministers. Secrecy in decision making has been a watchword of this government.

Australian taxpayers will be contributing around $2 billion to the Australian water fund and taxpayers are entitled to know that projects funding funded out of the Australian water fund have been subject to proper scrutiny by the National Water Commission, and they are entitled to know whether the minister has taken or rejected the advice of the commission. The confidentiality clause included by the government in this bill will severely curtail the public’s right to know the basis of decisions about where and how taxpayers’ money will be spent. Clause 44 ought to be removed in the public interest. The Howard government has form when it comes to avoiding due process and dodging scrutiny of the expenditure of public moneys, particularly in regional programs.

I am pleased to support the second reading amendment proposed by my colleague the member for Wills, particularly that section of the amendment relating to the failure of the Howard government to take seriously the threat of climate change to ongoing water supplies for both our farmers and our rivers. That failure is encapsulated in the second part of the second reading amendment, namely this government’s lack of urgency in tackling the water issue as evidenced by the failure of the government to activate the COAG process early in its first term of office. Only now, some eight years later, have we got a belated agreement between the Commonwealth and the states on water. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Main Committee adjourned at 7.30 p.m.