COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES

House of Representatives

Official Hansard

No. 5, 2005
Wednesday, 16 February 2005

FORTY-FIRST PARLIAMENT
FIRST SESSION—SECOND PERIOD

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SITTING DAYS—2005

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

Governor-General
His Excellency Major-General Michael Jeffery, Companion in the Order of Australia, Commander of the Royal Victorian Order, Military Cross

House of Representatives Officeholders
Speaker—The Hon. David Peter Maxwell Hawker MP
Deputy Speaker—The Hon. Ian Raymond Causley MP
Second Deputy Speaker—Mr Harry Alfred Jenkins MP

Members of the Speaker’s Panel—The Hon. Dick Godfrey Harry Adams, Mr Robert Charles Baldwin, the Hon. Bronwyn Kathleen Bishop, Mr Michael John Hatton, Mr Peter John Lindsay, Mr Robert Francis McMullan, Mr Harry Vernon Quick, the Hon. Bruce Craig Scott, the Hon. Alexander Michael Somlyay, Mr Kimberley William Wilkie

Leader of the House—The Hon. Anthony John Abbott MP
Deputy Leader of the House—The Hon. Peter John McGauran MP
Manager of Opposition Business—Ms Julia Eileen Gillard MP
Deputy Manager of Opposition Business—Mr Anthony Norman Albanese MP

Party Leaders and Whips
Liberal Party of Australia
Leader—The Hon. John Winston Howard MP
Deputy Leader—The Hon. Peter Howard Costello MP
Chief Government Whip—Mr Kerry Joseph Bartlett MP
Government Whips—Mrs Joanna Gash MP and Mr Fergus Stewart McArthur MP

The Nationals
Leader—The Hon. John Duncan Anderson MP
Deputy Leader—The Hon. Mark Anthony James Vaile MP
Whip—Mr John Alexander Forrest MP
Assistant Whip—Mr Paul Christopher Neville MP

Australian Labor Party
Leader—The Hon. Kim Christian Beazley MP
Deputy Leader—Ms Jennifer Louise Macklin MP
Chief Opposition Whip—The Hon. Leo Roger Spurway Price MP
Opposition Whips—Mr Michael Danby MP and Ms Jill Griffiths Hall MP

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<tr>
<td>Vasta, Ross Xavier</td>
<td>Bonner, Qld</td>
<td>LP</td>
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<td>Wakelin, Barry Hugh</td>
<td>Grey, SA</td>
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<td>Washer, Malcolm James</td>
<td>Moore, WA</td>
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<tr>
<td>Wilkie, Kimberley William</td>
<td>Swan, WA</td>
<td>ALP</td>
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<tr>
<td>Windsor, Antony Harold Curties</td>
<td>New England, NSW</td>
<td>Ind</td>
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<tr>
<td>Wood, Jason Peter</td>
<td>La Trobe, Vic</td>
<td>LP</td>
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</tbody>
</table>

**PARTY ABBREVIATIONS**

ALP—Australian Labor Party; LP—Liberal Party of Australia; Nats—The Nationals; Ind—Independent; CLP—Country Liberal Party; AG—Australian Greens

**Heads of Parliamentary Departments**

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

<table>
<thead>
<tr>
<th>Minister for Transport and Regional Services and Deputy Prime Minister</th>
<th>The Hon. John Winston Howard MP The Hon. John Duncan Anderson MP</th>
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<tr>
<td>Treasurer</td>
<td>The Hon. Peter Howard Costello MP The Hon. Mark Anthony James Vaile MP</td>
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<tr>
<td>Minister for Trade</td>
<td>Senator the Hon. Robert Murray Hill</td>
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<tr>
<td>Minister for Defence and Leader of the Government in the Senate</td>
<td>The Hon. Alexander John Gosse Downer MP The Hon. Anthony John Abbott MP</td>
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<tr>
<td>Minister for Foreign Affairs</td>
<td>The Hon. Philip Maxwell Ruddock MP Senator the Hon. Nicholas Hugh Minchin</td>
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<tr>
<td>Minister for Health and Ageing and Leader of the House</td>
<td>The Hon. Warren Errol Truss MP Senator the Hon. Amanda Eloise Vanstone</td>
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<tr>
<td>Attorney-General</td>
<td>The Hon. Dr Brendan John Nelson MP Senator the Hon. Kay Christine Lesley Patterson</td>
</tr>
<tr>
<td>Minister for Finance and Administration, Deputy Leader of the Government in the Senate and Vice-President of the Executive Council</td>
<td>The Hon. Ian Elgin Macfarlane MP The Hon. Kevin James Andrews MP</td>
</tr>
<tr>
<td>Minister for Agriculture, Fisheries and Forestry</td>
<td>Senator the Hon. Helen Lloyd Coonan</td>
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<tr>
<td>Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs</td>
<td>Senator the Hon. Ian Gordon Campbell</td>
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<tr>
<td>Minister for Education, Science and Training</td>
<td>Senator the Hon. Kay Christine Lesley Patterson</td>
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<tr>
<td>Minister for Family and Community Services and Minister Assisting the Prime Minister for Women’s Issues</td>
<td>Senator the Hon. Helen Lloyd Coonan</td>
</tr>
<tr>
<td>Minister for Industry, Tourism and Resources</td>
<td>Senator the Hon. Ian Gordon Campbell</td>
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<tr>
<td>Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service</td>
<td>Senator the Hon. Helen Lloyd Coonan</td>
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<tr>
<td>Minister for Communications, Information Technology and the Arts</td>
<td>Senator the Hon. Ian Gordon Campbell</td>
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<td>Minister for the Environment and Heritage</td>
<td>Senator the Hon. Ian Gordon Campbell</td>
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(The above ministers constitute the cabinet)
# HOWARD MINISTRY—continued

| Minister for Justice and Customs and Manager of Government Business in the Senate | Senator the Hon. Christopher Martin Ellison |
| Minister for Fisheries, Forestry and Conservation | Senator the Hon. Ian Douglas Macdonald |
| Minister for the Arts and Sport | Senator the Hon. Charles Roderick Kemp |
| Minister for Human Services | The Hon. Joseph Benedict Hockey MP |
| Minister for Citizenship and Multicultural Affairs and Deputy Leader of the House | The Hon. Peter John McGauran MP |
| Minister for Revenue and Assistant Treasurer | The Hon. Malcolm Thomas Brough MP |
| Special Minister of State | Senator the Hon. Eric Abetz |
| Minister for Vocational and Technical Education and Minister Assisting the Prime Minister | The Hon. Gary Douglas Hardgrave MP |
| Minister for Ageing | The Hon. Julie Isabel Bishop MP |
| Minister for Small Business and Tourism | The Hon. Frances Esther Bailey MP |
| Minister for Local Government, Territories and Roads | The Hon. James Eric Lloyd MP |
| Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence | The Hon. De-Anne Margaret Kelly MP |
| Minister for Workforce Participation | The Hon. Peter Craig Dutton MP |
| Parliamentary Secretary to the Minister for Finance and Administration | The Hon. Dr Sharman Nancy Stone MP |
| Parliamentary Secretary to the Minister for Industry, Tourism and Resources | The Hon. Warren George Entsch MP |
| Parliamentary Secretary to the Minister for Health and Ageing | The Hon. Christopher Maurice Pyne MP |
| Parliamentary Secretary to the Minister for Defence | The Hon. Teresa Gambaro MP |
| Parliamentary Secretary (Foreign Affairs and Trade) | The Hon. Bruce Fredrick Billson MP |
| Parliamentary Secretary to the Prime Minister | The Hon. Gary Roy Nairn MP |
| Parliamentary Secretary to the Treasurer | The Hon. Christopher John Pearce MP |
| Parliamentary Secretary to the Minister for Transport and Regional Services | The Hon. John Kenneth Cobb MP |
| Parliamentary Secretary to the Minister for the Environment and Heritage | The Hon. Gregory Andrew Hunt MP |
| Parliamentary Secretary (Children and Youth Affairs) | The Hon. Sussan Penelope Ley MP |
| Parliamentary Secretary to the Minister for Education, Science and Training | The Hon. Patrick Francis Farmer MP |
| Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry | Senator the Hon. Richard Mansell Colbeck |
### SHADOW MINISTRY

<table>
<thead>
<tr>
<th>Role</th>
<th>Leader</th>
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<tbody>
<tr>
<td>Leader of the Opposition</td>
<td>The Hon. Kim Christian Beazley MP</td>
</tr>
<tr>
<td>Deputy Leader of the Opposition and Shadow</td>
<td>Jennifer Louise Macklin MP</td>
</tr>
<tr>
<td>Minister for Education, Training, Science and Research</td>
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<tr>
<td>Leader of the Opposition in the Senate and Shadow Minister for</td>
<td>Senator Christopher Vaughan Evans</td>
</tr>
<tr>
<td>Social Security</td>
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<tr>
<td>Deputy Leader of the Opposition in the Senate and Shadow Minister</td>
<td>Senator Stephen Michael Conroy</td>
</tr>
<tr>
<td>for Communications and Information Technology</td>
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<tr>
<td>Shadow Minister for Health and Manager of Opposition Business in</td>
<td>Julia Eileen Gillard MP</td>
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<td>the House</td>
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<tr>
<td>Shadow Treasurer</td>
<td>Wayne Maxwell Swan MP</td>
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<tr>
<td>Shadow Minister for Industry, Infrastructure and Industrial</td>
<td>Stephen Francis Smith MP</td>
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<td>Relations</td>
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<tr>
<td>Shadow Minister for Foreign Affairs and International Security</td>
<td>Kevin Michael Rudd MP</td>
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<tr>
<td>Shadow Minister for Defence and Homeland Security</td>
<td>Robert Bruce McClelland MP</td>
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<tr>
<td>Shadow Minister for Trade</td>
<td>The Hon. Simon Findlay Crean MP</td>
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<tr>
<td>Shadow Minister for Primary Industries, Resources and Tourism</td>
<td>Martin John Ferguson MP</td>
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<tr>
<td>Shadow Minister for Environment and Heritage and Deputy Manager of</td>
<td>Anthony Norman Albanese MP</td>
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<tr>
<td>Opposition Business in the House</td>
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<tr>
<td>Shadow Minister for Public Administration and Open Government,</td>
<td>Senator Kim John Carr</td>
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<tr>
<td>Shadow Minister for Indigenous Affairs and Reconciliation and</td>
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<tr>
<td>Shadow Minister for the Arts</td>
<td>Kelvin John Thomson MP</td>
</tr>
<tr>
<td>Shadow Minister for Regional Development and Roads and Shadow</td>
<td>Senator the Hon. Nicholas John Sherry</td>
</tr>
<tr>
<td>Minister for Housing and Urban Development</td>
<td>Tanya Joan Plibersek MP</td>
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<tr>
<td>Shadow Minister for Finance and Superannuation</td>
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<tr>
<td>Shadow Minister for Work, Family and Community, Shadow Minister for</td>
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<tr>
<td>Youth and Early Childhood Education and Shadow Minister Assisting</td>
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<tr>
<td>the Leader on the Status of Women</td>
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<tr>
<td>Shadow Minister for Employment and Workplace Participation and</td>
<td>Senator Penelope Ying Yen Wong</td>
</tr>
<tr>
<td>Shadow Minister for Corporate Governance and Responsibility</td>
<td></td>
</tr>
</tbody>
</table>

(The above are shadow cabinet ministers)
SHADOW MINISTRY—continued

Shadow Minister for Immigration
Laurence Donald Thomas Ferguson MP

Shadow Minister for Agriculture and Fisheries
Gavan Michael O’Connor MP

Shadow Assistant Treasurer, Shadow Minister for Revenue and Shadow Minister for Banking and Financial Services
Joel Andrew Fitzgibbon MP

Shadow Attorney-General
Nicola Louise Roxon MP

Shadow Minister for Regional Services, Local Government and Territories
Senator Kerry Williams Kelso O’Brien

Shadow Minister for Manufacturing and Shadow Minister for Consumer Affairs
Senator Kate Alexandra Lundy

Shadow Minister for Defence Planning, Procurement and Personnel and Shadow Minister Assisting the Shadow Minister for Industrial Relations
The Hon. Archibald Ronald Bevis MP

Shadow Minister for Sport and Recreation
Alan Peter Griffin MP

Shadow Minister for Veterans’ Affairs
Senator Thomas Mark Bishop

Shadow Minister for Small Business
Tony Burke MP

Shadow Minister for Ageing, Disabilities and Carers
Senator Jan Elizabeth McLucas

Shadow Minister for Justice and Customs, Shadow Minister for Citizenship and Multicultural Affairs and Manager of Opposition Business in the Senate
Senator Joseph William Ludwig

Shadow Minister for Pacific Islands
Robert Charles Grant Sercombe MP

Shadow Parliamentary Secretary to the Leader of the Opposition
John Paul Murphy MP

Shadow Parliamentary Secretary for Defence
The Hon. Graham John Edwards MP

Shadow Parliamentary Secretary for Education
Kirsten Fiona Livermore MP

Shadow Parliamentary Secretary for Environment and Heritage
Jennie George MP

Shadow Parliamentary Secretary for Infrastructure
Bernard Fernando Ripoll MP

Shadow Parliamentary Secretary for Health
Ann Kathleen Corcoran MP

Shadow Parliamentary Secretary for Regional Development (House)
Catherine Fiona King MP

Shadow Parliamentary Secretary for Regional Development (Senate)
Senator Ursula Mary Stephens

Shadow Parliamentary Secretary for Northern Australia and Indigenous Affairs
The Hon. Warren Edward Snowdon MP
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WEDNESDAY, 16 FEBRUARY

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

AVOIDING DANGEROUS CLIMATE CHANGE (KYOTO PROTOCOL RATIFICATION) BILL 2005

Mr ALBANESE (Grayndler) (9.01 a.m.)—I move:

That so much of the standing orders be suspended as would prevent order of the day No. 6, private members’ business, relating to the Avoiding Dangerous Climate Change (Kyoto Protocol Ratification) Bill 2005, being called on forthwith to provide the House with an immediate chance to debate and vote on the bill in the light of the following reasons:

(1) the fact that the Kyoto Protocol comes into effect today after being ratified by 140 countries and the European Union;

(2) climate change is the number one environmental challenge facing the global community;

(3) Australia is restricted from the economic opportunities arising from the global carbon trading market;

(4) Australia will not be able to benefit from clean development mechanism provisions contained in the Protocol which are designed to encourage renewable energy projects in developing countries;

(5) as Australia is on track to meet our Kyoto target of 108% of 1990 emissions by 2012, there is no reason for Australia to remain outside the international framework;

(6) Australia’s ability to influence post Kyoto agreements will be undermined by our isolationist position;

(7) international security is advanced through agreements such as the Kyoto Protocol which promote a common purpose; and

(8) climate change is the ultimate intergenerational issue. Our response will be central in determining the quality of life of our children and grandchildren.

In 1997, when Australia was a party to the agreement—

Mr Truss—I move:

That the member be no longer heard.

The House divided. [9.06 a.m.]

(The Speaker—Hon. David Hawker)

Ayes…………. 75

Noes…………. 55

Majority……… 20

AYES


Question agreed to.

**Ms GEORGE** (Throsby) *(9.12 a.m.)*—I second the motion. Today is a very historic day. It is the day that 140 nations—

**Mr TRUSS**—I move:

That the member be no longer heard.

The House divided. *(9.13 a.m.)*

(The Speaker—Hon. David Hawker)

<table>
<thead>
<tr>
<th>Ayes</th>
<th>77</th>
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<td>Noes</td>
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<td>Majority</td>
<td>22</td>
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**AYES**

Abbott, A.J.  
Bailey, F.E.  
Baker, M.  
Barresi, P.A.  
Billson, B.F.  
Bishop, J.I.  
Cadman, A.G.  
Ciobo, S.M.  
Downer, A.J.G.  
Elson, K.S.  
Fawcett, D.  
Forrest, J.A.  
Gash, J.  
Haase, B.W.  
Hartsuyker, L.  
Hockey, J.B.  
Hunt, G.A.  
Johnston, M.A.  
Keenan, M.  
Kelly, J.M.  
Lloyd, J.E.  
Markus, L.  
McArthur, S.  
Moylan, J. E.  
Neville, P.C.  
Pearce, C.J.  
Pyne, C.  
Richardson, K.  
Ruddock, P.M.  
Scott, B.C.  
Slipper, P.N.  
Somlyay, A.M.  
Stone, S.N.  
Ticehurst, K.V.  
Truss, W.E.  
Turnbull, M.  
Vasta, R.  
Washer, M.J.  
Wood, J.

<table>
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<tr>
<td>Noes</td>
<td>77</td>
</tr>
<tr>
<td>Majority</td>
<td>22</td>
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</tbody>
</table>

**NOES**

Adams, D.G.H.  
Andren, P.J.  
Beazley, K.C.  
Bevis, A.R.  
Burke, A.E.  
Byrne, A.M.  
Crean, S.F.  
Elliot, J.  
Ellis, K.  
Ferguson, L.D.T.  
Fitzgibbon, J.A.  
Georginas, S.  
Gibbons, S.W.  
Grierson, S.J.  
Hall, J.G.  
Irwin, J.  
Kerr, D.J.C.  
Lawrence, C.M.  
Macklin, J.L.  
McMullan, R.F.  
Murphy, J.P.  
O’Connor, G.M.  
Price, L.R.S.  
Rudd, K.M.  
Sercombe, R.C.G.  
Swan, W.M.  
Thomson, K.J.  
Wilkie, K.  
Billson, B.F.  
Bishop, J.I.  
Cadman, A.G.  
Ciobo, S.M.  
Downer, A.J.G.  
Elson, K.S.  
Fawcett, D.  
Forrest, J.A.  
Gash, J.  
Haase, B.W.  
Hartsuyker, L.  
Hockey, J.B.  
Hunt, G.A.  
Johnston, M.A.  
Keenan, M.  
Kelly, J.M.  
Lloyd, J.E.  
Markus, L.  
McArthur, S.  
Moylan, J. E.  
Neville, P.C.  
Pearce, C.J.  
Pyne, C.  
Richardson, K.  
Ruddock, P.M.  
Scott, B.C.  
Slipper, P.N.  
Somlyay, A.M.  
Stone, S.N.  
Ticehurst, K.V.  
Truss, W.E.  
Turnbull, M.  
Vasta, R.  
Washer, M.J.  
Wood, J.
Wednesday, 16 February 2005  HOUSE OF REPRESENTATIVES  3

Kerr, D.J.C.  Lawrence, C.M.  Macklin, J.L.  McMullan, R.F.  Murphy, J. P.  O’Connor, G.M.  Price, L.R.S.  Ripoll, B.F.  Rudd, K.M.  Sercombe, R.C.G.  Swan, W.M.  Thomson, K.J.  Wilkie, K.


Lawrence, C.M.  Livermore, K.F.  Melham, D.  O’Connor, B.P.  Owens, J.  Quick, H.V.  Roxon, N.L.  Sawford, R.W.

Macklin, J.L.  McClelland, R.B.  Melham, D.  O’Connor, B.P.  Owens, J.  Quick, H.V.  Roxon, N.L.  Sawford, R.W.

McMullan, R.F.  Melham, D.  O’Connor, B.P.  Owens, J.  Quick, H.V.  Roxon, N.L.  Sawford, R.W.

Murphy, J. P.  O’Connor, G.M.  Price, L.R.S.  Ripoll, B.F.  Rudd, K.M.  Sercombe, R.C.G.  Swan, W.M.  Thomson, K.J.  Wilkie, K.

O’Connor, B.P.  Owens, J.  Quick, H.V.  Roxon, N.L.  Sawford, R.W.

* denotes teller

Question agreed to.

Original question put:

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

The House divided.  [9.16 a.m.]

(The Speaker—Hon. David Hawker)

Ayes……………..  55

Noes……………..  77

Majority……….  22

AYES


* denotes teller

Question negatived.
FARM HOUSEHOLD SUPPORT AMENDMENT BILL 2005

First Reading

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

Second Reading

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (9.20 a.m.)—I move:

That the bill be now read a second time.

The Farm Household Support Amendment Bill 2005 will give effect to amendments that aim to improve the effectiveness and administration of the Australian government’s Farm Help program and to further ensure that it reaches low-income farmers most in need of assistance.

The purpose of the bill is to reinforce the structural adjustment focus of the Farm Help Supporting Families Through Change program. It seeks to clarify the qualification provisions for entry to the Farm Help program, and to enable ongoing communication with Farm Help Re-establishment Grant recipients to confirm that recipients meet their undertakings not to re-enter farming and to notify of a change of address.

Program achievements to date

The assistance provided through Farm Help is flexible and can be tailored to meet the needs of each farm family. The program provides up to 12 months income support at the newstart allowance rate; a grant of up to $5,500 for professional advice and training; the development of an activity plan customised to each farm family’s situation; and a re-establishment grant of up to $50,000 for people who decide to leave farming and sell the farm. Applications for the Farm Help program close on 30 June 2007.

Farm Help has a long record of achievement. Since the program commenced on 1 December 1997, over 9,000 farmers have received Farm Help income support, almost 8,000 farmers have taken up advice and training sessions and over 1,000 farmers have received re-establishment assistance.

To date, the Australian government has expended an estimated $178 million on the Farm Help program, with an estimated $8.7 million in the current financial year—a positive commitment to strengthening the resilience of rural and regional Australia.

The following changes will be reflected in the Farm Household Support Act 1992 and in the act’s disallowable instruments, the Farm Help Advice and Training Scheme 1997 and the Farm Help Re-establishment Grant Scheme 1997:

• Amending the definition of farmer

To ensure that the Farm Help program and the exceptional circumstances relief payment are consistent in their definition of farmer, the definition will be amended to ‘a person who has a right or interest in the land used for the purposes of a farm enterprise’. The distinction between the target groups for the two programs is then made in the specific qualification provisions for each program.

This amendment will not affect the eligibility criteria for a person applying for the exceptional circumstances relief payment. To avoid any impact of the changed definition on the exceptional circumstances relief payment, the elements of the definition of farmer will be moved from the general definition in the Farm Household Support Act 1992 to the more specific qualification provisions for the exceptional circumstances relief payment.

• Clarifying the qualification requirements for Farm Help

For the purposes of Farm Help, a farmer is currently defined under the act as a person who has a right or interest in the land used for the purposes of the farm enterprise; con-
tributes a significant part of his or her labour and capital to the farm enterprise; and derives a significant part of his or her income from the farm enterprise. However, this does not clearly state what ‘significant’ is, which is necessary to provide clarity to all parties, including applicants, decision makers, courts and tribunals.

A new qualification provision for the Farm Help program will define ‘significant’ for the purposes of Farm Help—that is, for a continuous period of at least two years immediately before they apply for entry to the Farm Help program, the applicant has been a farmer; and has derived more than 50 per cent of his or her gross income from the farm enterprise; and has contributed more than 50 per cent of his or her capital on the farm enterprise; and has spent more than 50 per cent of his or her working hours in work on the farm enterprise.

I want to ensure that the revised income test does not prevent a low-income farmer from accessing the program if they experience a serious event outside their control. For example, a person may be unable to satisfy the income test because during the two-year period the person has experienced a flood, drought, bushfire or some other natural disaster; an unforeseen extreme variation in seasonal norms; a market collapse; or serious illness or disability. Accordingly, a person will be considered a ‘full-time farmer’ if they can demonstrate that they meet these circumstances and satisfy other qualification criteria.

• Review of re-establishment grant recipients

The other amendments to the Farm Household Support Act 1992 will enable reviews to be conducted of re-establishment grant recipients, to confirm they are complying with their undertakings not to re-enter farming within five years of receiving the re-establishment grant and to notify of a change in address.

Provisions have been developed which enable the Australian government to apply a penalty to a person who fails to advise that they have re-entered farming, and to apply a penalty to those who fail to advise of their change of address, all within five years of receiving the grant. These provisions will not be retrospective.

• Conclusion

The government remains committed to the development of self-reliant, competitive and sustainable rural industries. Passage of this bill will clarify the qualification of farmers for the Farm Help program, ensuring that assistance goes to low-income farmers most in need. It will also ensure that re-establishment grants are being used for the purposes intended—to provide assistance to persons in severe financial difficulty to leave farming should they choose to do so. I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Bevis) adjourned.

TARIFF PROPOSALS

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (9.27 a.m.)—I move:


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

This proposal amends the rates of customs duty applicable to alcohol and tobacco products that are US originating goods, as specified in new schedule 5 to the tariff. Rates of duty for alcohol and tobacco products are subject to adjustment, in February and August of each year, in line with the consumer price index or CPI. Since the US Free Trade Agreement Implementation (Customs Tariff)
Bill 2004 was introduced into the parliament before the August 2004 CPI increase and schedule 5 to the tariff commenced after that increase—that is, on 1 January 2005—the rates of duty for those US originating goods were not increased in line with the August 2004 CPI.

Customs Tariff Proposal No. 1 (2004) was tabled in the House of Representatives on 1 December 2004 to impose the August 2004 CPI increase to the alcohol and tobacco products in schedule 5 of the tariff. This proposal took effect on 1 January 2005 immediately after the commencement of the US Free Trade Agreement Implementation (Customs Tariff) Act 2004 and ensured that the rates of duty for alcohol and tobacco products in schedule 5 of the tariff were consistent with duty rates for the same goods that are not US originating goods.

On 25 January 2005 the CPI figures for the December 2004 quarter were announced, requiring a further increase in duty rates for alcohol and tobacco products with effect from 1 February 2005.

Customs Tariff Notice No. 1 (2005) was published in Special Commonwealth Gazette S21 on 31 January 2005 giving notice that a customs tariff alteration would be proposed in the parliament which would increase, from 1 February, the rates for alcohol and tobacco products that are US originating goods in accordance with the new CPI.

The alterations contained in Customs Tariff Proposal No. 1 (2005) ensure that rates of duty on those alcohol and tobacco products are consistent with duty rates for the same goods that are not US originating goods, and accord with the terms of the Australia-United States Free Trade Agreement.

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

Debate (on motion by Mr Bevis) adjourned.

DEFENCE AMENDMENT BILL 2005
Second Reading
Debate resumed from 10 February, on motion by Mrs De-Anne Kelly:
That the bill be now read a second time.

Mr BEVIS (Brisbane) (9.30 a.m.)—The Defence Amendment Bill 2005 deals with the regime for testing for drugs and other prohibited substances in the Australian Defence Force. At the outset I would like to acknowledge and thank the minister for arranging a briefing for me and my staff concerning some of the detail of this bill. I also extend the thanks of the shadow minister for defence, Robert McClelland, and his staff who participated in that briefing. We appreciated that opportunity to receive details of the provisions of the bill.

Labor has long held the view that the Defence Force should be free of substance abuse. I made that point not that long ago, following the last election, when there was an incident at Duntroon. I issued a press statement at the time, headed ‘ALP supports tough drugs stand at Duntroon’, saying:

There is no place for drug-taking in the military.

I also noted:

... the Army has shown that only the highest standards are acceptable.

It is clearly a matter of concern for those in the military that they participate in activities alongside other military personnel who are free of substance abuse. I should also say at the outset that this should not be exaggerated into a belief that there is widespread problem of abuse within the military—that is not the case. Indeed, the statistics demonstrate that, in the same age cohort, use in the military is much lower than in the wider civilian community. Nonetheless, I am sure it is apparent to all that substance abuse is potentially dan-
dangerous in any walk of life; in the military it is not only potentially dangerous to the individual but also to those around them, both in uniform and in the broader community.

In her second reading speech introducing the bill, the Minister for Veterans’ Affairs gave some background to the reasons for the appearance of this bill. I want to briefly quote from the minister’s speech. She said:

... limitations under the legislative drug-testing program were a major reason why a command initiated program of drug testing was implemented. This program was used for drug testing until September last year, when a Defence Force magistrate’s finding was made that there is no scope for such testing outside part VIII A of the Defence Act. The command initiated program has therefore been temporarily suspended whilst changes to part VIII A have been pursued to ensure that the legislation better reflects Defence Force policy regarding drug use.

I would have to say that is accurate but somewhat incomplete. The actual background to this goes back some time prior to that. In fact, on 17 September 2002 the then assistant defence minister, Danna Vale, promised to introduce regulations for random drug testing of defence personnel. That did not occur. Indeed, more than two years later nothing had appeared from the government to honour that commitment that the then assistant defence minister gave in September 2002.

It was because of that inaction on the part of the government that the government was confronted with a magistrate’s decision that dismissed a drugs charge against an officer after a ruling that the Army’s urinalysis testing was unlawful. Defence Minister Robert Hill confirmed in the Senate on 7 December last year that the government’s failure to introduce the new regulations had resulted in the magistrate dismissing the charges against the officer. However, it is worth noting the way Senator Hill did that. In answer to a question in the Senate, he said:

The magistrate found that the method adopted to require the taking of these tests was, and I am paraphrasing, ‘inconsistent with part 8A’, I think, ‘of the Defence Act’.

He went on to say:

It is true that Defence decided to bring in this system through command rather than through legislative prescription. Advice has been sought on the consequence of the ruling of that particular Defence Force magistrate, and the government is considering advice on this issue at the moment.

In typical Howard government fashion, having failed to do what it said in 2002 it would do and then being confronted with the problems of its own inaction, Senator Hill decided last year in the Senate to blame the Defence Force. There was no responsibility on the part of the government; no responsibility in his office as Minister for Defence; no responsibility on the part of the former assistant minister—who I am pleased to see is in the chamber—who in September 2002 said regulations would be introduced, though they never were. There was no accountability by anybody with ministerial responsibility.

In the Senate, Senator Hill blamed the defence department and the men and women in uniform because of this government’s bungling. That is so typical of the approach this government has displayed whenever it gets caught with its fingers in the cookie jar. It is always someone else’s responsibility. Plausible deniability: ministers get insulated from knowledge that they either have or should have but which cannot be proved. Well, on this occasion it can be proved—because the assistant defence minister, on 17 September 2002, gave that commitment of behalf of the government to introduce the regulations, and it did not occur. Rather than acknowledge that error, the big man that he is, Senator Hill decided he would blame someone else, so he blamed our defence personnel. I think that
was a reprehensible action on the part of the minister who, at the end of the day, is indeed responsible for what happens in the defence department. But on this occasion it was not even the defence department’s responsibility; it was the government’s and the minister’s, and he ducked for cover and tried to shift the blame. I think that is reprehensible.

Let me move to the provisions of this bill which now address those concerns that were identified in 2002 but unfortunately were not acted on legislatively. The bill is designed to clarify and strengthen the drug testing procedures within the defence forces. The objective, which we clearly support on this side of the House, is a drug-free Defence Force. The bill is intended to provide benefits to the health and safety of the individuals and the safety of other service personnel, and improved performance and greater operational efficiency. In particular, the bill will expand the range of drugs that may be tested, beyond those narcotic substances currently included, to include other prohibited substances. The bill will authorise the Chief of the Defence Force, by legislative instrument, to determine that a substance is a prohibited substance. I understand that that will be a disallowable instrument, and I think that is an appropriate mechanism. It affords the Chief of the Defence Force the scope to take into account substances that may not necessarily be prohibited substances but whose use may be inappropriate for defence personnel.

The bill will also broaden testing, beyond ADF members undertaking combat duties or combat related duties, to include all defence members and defence civilians. Defence civilians constitute a small group, accompanying a part of the ADF on deployment, who have consented to subject themselves to Defence Force discipline. My past experience in this portfolio leads me to think that many of those defence civilians have previously been in uniform. In any event, they knowingly agree to these arrangements in advance. It also allows the Chief of the Defence Force, or an officer delegated by him, to make provisions for testing by means other than urinalysis. That is an appropriate thing as new tests become available and as some drugs are not easily identified by urinalysis. Indeed, some drugs have a very short timeframe in which they will show up in urinalysis, whereas other tests will provide a more comprehensive assessment of whether or not drugs have been used or are present in the body. It also clarifies the power to terminate employment after the return of a confirmed positive test and clarifies the power to take other administrative actions.

The bill enables the details of the drug testing regime to be set out in Defence instructions, thereby, I suspect, overcoming one of the core concerns of the Defence Force magistrate, to which I earlier referred. In line with the bill and current practices, a prohibited substance test must be conducted in circumstances affording reasonable privacy to the person being tested. In dealing with these matters, it is important not just for the broader community but in this case specifically for those in uniform to recognise the rights of the individuals concerned. When we place these added responsibilities on those in uniform we should also ensure that they are afforded appropriate individual rights and respected. I am satisfied that the processes provide privacy. They also provide an opportunity for a number of other safeguards.

Before a sample is provided, a person required to undergo a prohibited substance test must be given written notice explaining such matters relating to the dealing of the sample as are specified in the defence instructions. I anticipate and expect that that would include an explanation of what is to follow—what that individual’s rights are during the course of the processes and what the consequences may be, depending on the outcome of the
test. A person found with a positive test result is to be given 28 days to provide a written statement of why his or her employment should not be terminated. Importantly, a person so accused can have the second sample—which is collected at the same time as the first sample—sent for analysis, and those results can form part of the statement of reasons. I understand from advice given at the briefing that the person against whom the allegation is made will have the opportunity to choose where that second test is analysed from among a number of accredited testing authorities. I think that affords an appropriate level of rights to the individual. It also accords with my understanding of the broader practices of drug testing regimes in a number of major sports.

I think it is particularly important to also ensure that the privacy of these matters is respected. That is important for all personnel; it has a particular ramification, though, for reserves. Reserves usually have a civilian employer as well as the Defence Force. It would be an unacceptable case of double jeopardy if a compulsory test in the military were not only to result in action relating to their engagement as an ADF officer but also cause problems for their civilian employment. I am satisfied with the responses I have received from the minister’s office and the department that those issues have been addressed, but I want to record them here in this debate.

The information collected under the legislation is protected from disclosure to third parties under the Privacy Act 1988. With particular reference to disclosing the results of a test to a civilian employer of a Reserve member of the Defence Force, it is noted that disclosure of such information would be very unlikely to come within any of the exemption provisions in the Privacy Act. The bill proposes no changes to the current privacy requirements, noting that there has been no criticism of and no identified problems with the current situation in relation to the protection of personal information. Those assurances I have received are reasonable in the circumstances, but I do want to place my concerns on record in this debate to ensure that those practices continue into the future. As I said, I would not want to see a situation of double jeopardy unfold for a reservist whereby, if they return a positive test, they may find themselves disciplined within the military and, were that information to be more widely distributed, they may find their civilian employment jeopardised as well. So I am pleased that those assurances have been provided.

There is one other related issue that I also want to mention in this debate. Australia has a comparatively small number of people in uniform who are on exchange with different forces around the world. This is not a large issue in terms of numbers, but nonetheless I think it is worth mentioning. Not all defence forces share Australia’s view about the use of what would otherwise be unlawful substances. I have previously raised in this parliament my concern about the practice of the United States Air Force of providing its pilots with amphetamines—speed pills. I asked questions in the last parliament of the Minister Assisting the Minister for Defence about this on 27 November 2003. In the answers I was assured that ADF pilots overseas are aware that amphetamines are not listed on the approved list of drugs, but I am not quite sure whether anything is done to ensure that Australians who serve on exchange with the United States Air Force have this information clearly put before them or whether there is any process or protocols with the United States Air Force to make sure that United States Air Force management know that this is a requirement that we have and that therefore Australian pilots on exchange with the US Air Force are not obliged, encouraged or
pressured to take the same amphetamines that USAF pilots take.

I was also concerned at the time to raise the question of United States Air Force, Navy or Marine Corps pilots operating US military aircraft in Australia. We have a number of joint exercises on a pretty regular basis, and aircraft transit our airspace and often use our bases for refuelling and other purposes. I asked the minister at that time what action he had taken to ensure that these pilots were not using amphetamines. The minister’s answer to my question No. 2800 was: none. That is, the government has taken no action whatsoever to even communicate with the United States Air Force about whether their pilots here are using amphetamines, even though we know that it is standard practice for the United States Air Force to supply them. I regard that answer as completely unsatisfactory, and frankly it is inconsistent with the government’s stated policy in this bill. We quite rightly expect a high standard from those in uniform and when it comes to issues of substance abuse we impose on people in the Australian Defence Force a higher standard than is applicable to the general community. But when it comes to overseas pilots—we make no inquiry. We do nothing to prevent their pilots using these amphetamines.

This is not just a passing triviality. The use of amphetamines by USAF pilots has been the subject of some legal cases in the United States. We all know of incidents of friendly fire, where US pilots have inadvertently killed their own troops or allied troops. One notable case has arisen from an incident in Afghanistan. In that case two US pilots are in the process of being court-martialled because they mistakenly bombed a Canadian military group and killed four Canadian soldiers. As part of the court case the pilots have, in their defence, said, ‘We were pumped up with amphetamines; we were on the edge of our nerves and we ended up doing the wrong thing.’

That worries me. What the American pilots want to do with their policies is a matter for the Americans, but what any country wants to do when it flies combat aircraft around Australia is our business. And the government’s official answer to me in 2003 was: we do nothing about that. Well, I think it is time the government took that issue on board. I think it is time, in the many dialogues we have with our close friends in the United States, to say, ‘This is the requirement we have on our troops with respect to substance abuse, and we require undertakings of the same standard for troops from anywhere who are exercising here in Australia.’ I think that is a simple and fair proposition and for the life of me I do not understand why the government’s official position is: we do not want to do a thing about it.

It is of more than passing interest within the debates around the United States Defence Force. For example, the United States Navy’s official guides for flight surgeons, Performance Maintenance During Continuous Flight Operations, says an intermittent low dose of amphetamines or ‘go pills’:

... has the capability of maintaining aviator performance yet avoiding undesired medication effects.

The problem with that is that the drug manufacturers who supply the very drugs that the USAF hand out say something else. The people who make the drug say:

Amphetamines may impair the ability of the patient to engage in potentially hazardous activities such as operating machinery or vehicles; the patient should therefore be cautioned accordingly.

The manufacturers of these drugs say, ‘Beware of driving a car if you take these pills.’ The United States Air Force gives these pills to people and then puts them in the cockpits...
of combat aircraft. You have to wonder about this when you see some of the friendly fire incidents that have occurred in theatres of war in the last few years. Schools have been bombed, their own troops have been bombed and allied troops have been bombed. I recall that in Iraq a group of US special forces who were protecting a senior Iraqi Kurd leader ended up being bombed as they called in an attack on a Saddam Hussein Iraqi tank that was within range. The pilot mistook their Humvee for the tank. That would be a matter of some concern to anybody.

When the manufacturers of these drugs say, ‘Do not drive a car,’ but the USAF thinks it is all right to give these pills to people and then put them into a combat aircraft, that bewilders me. But as I said, the United States Air Force and the marines are entitled to whatever policy they wish to adopt. But when we have those people here in Australia surely the Australian standard should be applied. I have raised this issue for, roughly, the last two years in this parliament and hope that the government will take some notice of it.

Let me conclude by returning to the specifics of the bill. The bill is supported by the Labor Party. It addresses a problem with the administration of drug testing within the Australian Defence Force. That problem would not have existed had the government acted on its undertaking in 2002 to take action then. Better late than never, and this bill does address that concern while ensuring the proper protection of the individual rights of serving men and women. Therefore, we will support the bill in this place and in the Senate.

Mrs VALE (Hughes) (9.52 a.m.)—I appreciate the opportunity to speak on the Defence Amendment Bill 2005, which I believe demonstrates the Howard government’s commitment to developing a more combat-focused, better-equipped, more mobile and operationally ready Australian Defence Force. The purpose of this bill is to amend part VIII A of the Defence Act to provide a comprehensive prohibited substance testing regime. I acknowledge the support of the opposition in the progress of this bill. The Australian Defence Force has zero tolerance to the abuse or misuse of drugs. Such use can affect morale, discipline and public confidence, and it poses a risk to the operational effectiveness of the Australian Defence Force through the potential to reduce performance, impair health and increase security risks.

The creation of an effective prohibited substance testing regime is intended to act as a strong deterrent to prohibited substance abuse, including the misuse of prescription or over-the-counter drugs. Problematic substance use, whether alcohol, tobacco or illicit drugs, is an issue for the entire community, and the Australian Defence Force is not immune from this. In fact, given the nature of the Australian Defence Force population—mostly young people who are living away from home—you might be mistaken in thinking that the organisation could be considered more likely to experience these problems than the general community.

As a result, the Australian Defence Force has been very active in addressing these issues through the establishment of the Australian Defence Force Alcohol, Tobacco and Other Drugs Service. This service was introduced in May 2002 and it is a major initiative within the mental health strategy that provides the Australian Defence Force with a multilevel response to problematic substance use. It is evidence based, consistent with the National Drug Strategy and informs and supports the Australian Defence Force’s administrative response to problematic substance abuse. The Australian Defence Force Alcohol, Tobacco and Other Drugs Service pro-
vides education, training, resources and ad-
dvice to Australian Defence Force members
and commanders regarding issues relating to
alcohol, tobacco and prohibited substance
use. This includes annual information ses-
sions regarding both alcohol and drug policy
and testing programs.

Therefore, despite its population, the Aus-
tralian Defence Force has relatively low us-
age of prohibited drugs in comparison with
the use of prohibited drugs in the general
population. From February to September last
year, 7,637 members were tested. Only 110
of those tested returned confirmed positive
test results, representing only 1.44 per cent
of those members tested. In comparison, a
Commonwealth Department of Health and Ageing
survey in 2000 reported that 23 per
cent of Australians over 14 years of age had
used prohibited drugs in the preceding 12
months.

On 13 September 2004, a Defence Force
magistrate acquitted an officer on the basis
that a command given to submit to a drug
test was not a lawful command. The Defence
Force magistrate held that part VIIIA of the
Defence Act 1903 is an exclusive code for
urinalysis testing. As a consequence, in the
view of the Defence Force magistrate there
was no scope for command-initiated urinaly-
sis drug testing and this type of drug testing
was suspended. To clarify any uncertainty
and to provide for changes in drug-testing
methods, drug-use patterns and Australian
Defence Force structures over the past 10
years, Defence is seeking an amendment to
part VIIIA of the Defence Act. Once part
VIIIA of the Defence Act is amended, drug
testing can recommence, with Australian
Defence Force personnel able to be tested
anywhere, at any time, for any prohibited
substance.

However, let it be clear that Defence does
not believe that the Defence Force magis-
trate’s finding invalidates any discharge ac-
tion already taken as a result of the com-
mand-initiated testing. So a summary of the
problems with the current legislation that
need to be rectified includes: (1) testing is
limited to members in combat or combat-
related activities; (2) testing is limited to narc-
cotic substances as defined in the Customs
Act; (3) testing is confined to urinalysis test-
ing only; and (4) in some circumstances
there is some doubt as to the ability of the
Australian Defence Force to terminate the
services of a member testing positive.

Therefore, the principal purpose of the
amendments to part VIIIA of the Defence
Act will be to broaden the circumstances
where testing of Defence Force members
could be required. This would allow all
members of the Australian Defence Force,
members of the Reserve on duty and defence
civilians—that is, contractors accompanying
the Australian Defence Force on operations
who agree to be subject to Defence Force
discipline—to be tested at any time.

The amendment will clarify the power to
take action to discharge or terminate the ser-
vice of any member or to take other adminis-
trative action after return of a confirmed
positive result. The amendment also makes
provision for testing by any means. This al-
 lows the Chief of the Defence Force to make
a determination allowing new and accredited
testing regimes to be used as they are devel-
oped. This will provide flexibility in the test-
ing regimes administration and enable it to
keep pace with modern developments in
drug testing.

The bill expands the range of drugs tested.
‘Prohibited substances’ is now the term used
instead of ‘drugs’. This will allow a wider
scope to test beyond narcotic substances and
to include steroids, party drugs and other
substances as determined by the Chief of the
Defence Force. And, finally, this bill makes
provisions that allows functions under part VIIIA relating to the testing for prohibited substances to be delegated to senior officers of the Australian Defence Force.

Privacy protection for persons being drug tested is also a priority. Under the proposed new section 95 of the Defence Act, testing must be conducted in circumstances affording the persons being tested reasonable privacy. Dealings with the test results are covered by the privacy principles under the Privacy Act 1988. Breaches of the privacy principles could result in disciplinary or administrative action being taken against individual Australian Defence Force or Australian Public Service members.

The privacy principles require Defence to ensure that the collection of personal information does not unreasonably intrude upon the person being tested. These principles also include a requirement for Defence to disclose to persons from whom personal information is being collected any intention to pass that information to third persons, before collecting the information. With regard to Reserve personnel—and I note that this was raised by the opposition—Defence has no intention of providing the results of drug tests to the civilian employers of the Reserve members.

Defence instructions will be issued in relation to drug-testing procedures, including the protection of personal information. Proposed section 109(1)(h) of the Defence Act provides for Defence instructions to be made in relation to ‘the confidentiality of prohibited substance test results’. Noncompliance with Defence instructions may result in disciplinary action or other sanctions being taken against persons who breach the confidentiality requirements.

Defence members serving overseas or with other forces on exchange or similar duties will be liable for testing. While it is yet to be determined how members will be tested, there are several options available. These include that authorised drug testers from any service may test any Australian Defence Force member, including those deployed on operation. If no authorised person is available, a testing team could be sent from Australia.

Another alternative would be that a local testing contractor be engaged, provided that the testing is conducted in accordance with Australian standards, or arrangements could be made for the host service to conduct testing on behalf of the Australian Defence Force. Testing would need to be in accordance with Australian standards and testing results would need to be passed directly from the contractor, or the host service, to an Australian Defence Force authority. In cases where a suitable testing laboratory is not available, samples will be returned to Australia for analysis.

Also, necessary arrangements will be made to ensure that any member who tests positive is dealt with in accordance with Australian Defence Force policy and not local law. This will require strict confidentiality of test results. If required, arrangements may be put in place to test members from other countries serving in the Australian Defence Force. In such instances, testing results would be processed in accordance with the wishes of the member’s parent service.

Drug use and testing are sensitive and topical issues. The main aim of the amendments for the Defence Act that I have discussed is to deter illegal use of prohibited substances within the Australian Defence Force. The amendments are also an indication of this government’s commitment to ensuring that Australia has a defence force that is efficient and effective in its capacity to defend Australia and its national interests.
An important part in all this, though, is that there is a clear public and government expectation that the Australian Defence Force should be drug free. Misuse of drugs poses a significant risk to the operational effectiveness of the Australian Defence Force and has the potential for dire consequences.

I will conclude by saying Australia’s 52,000 permanent Defence Force personnel and 20,000 Reserve personnel serve around the world with great professionalism, distinction and courage. They serve and protect Australia’s national interests while also representing the greatest democracy in the world. Indeed, they are the pride of the nation, and we celebrate their commitment, their integrity and their dedication on behalf of the rest of us.

Mrs MAY (McPherson) (10.04 a.m.)—The Defence Amendment Bill 2005 before the House today will amend part VIIIA of the Defence Act 1903 to provide a more comprehensive regime for the drug testing of members of the Australian Defence Force. It will overcome current limitations in part VIIIA and is considered essential to the operational effectiveness of the Australian Defence Force.

The principal purpose of the bill will be to expand the range of drugs that may be tested for beyond those narcotic substances currently provided for under part VIIIA; broaden the circumstances when testing could be required beyond those related to combat and combat related duties; make provision for testing by means other than urinalysis, as new tests and new drugs are developed; clarify the power to terminate after return of a confirmed positive test result and the power to take other administration action; and enable details of the drug testing regime to be set out in Defence instructions, issued under section IXA of the act, to allow for flexibility in the regime’s administration and enable it to keep pace with modern developments in drugs and drug testing.

I fully support this bill and its overall aim to enhance the operational effectiveness of the ADF. There is no doubt in my mind that our ADF is one of the best in the world. They have clearly demonstrated their operational readiness in recent times with their activities in East Timor, in Iraq and, of course, most recently, in those countries affected by natural disasters, such as Indonesia.

The stories we have heard of how our Defence personnel have assisted in the aftermath of the tsunami have been nothing short of inspirational. Many personnel gave up time with their families over the Christmas period to assist with the enormous task of helping to clean up, stabilise and rebuild places like Banda Aceh. They are to be highly commended for this work. Of course, our troops in Iraq will never be forgotten for the role they are playing to ensure democracy in that country.

Many of the roles we ask our defence forces to undertake are dangerous and not without risk, but I think all Australians can be assured that our troops are combat focused, well equipped and trained, and ready to meet any operational need that may eventuate. The ADF are respected by the international community and, indeed, our own Australian community, and we can all be very proud of the record of the ADF through numerous conflicts and peacekeeping operations over many years.

It is because of this great record that the bill before the House today is important. It is essential that the image of the Australian Defence Force be maintained and not tarnished by any acts of individuals. Members of the ADF must maintain personal standards above that of the general community—they are scrutinised more closely—and those
standards must include not using a prohibited substance.

There is no doubt that use of a prohibited substance has adverse consequences for morale, discipline and public confidence in the Australian Defence Force and poses a significant risk to the operational effectiveness of the ADF through the potential to reduce performance, impair health and increase security risks.

The development of an effective testing regime of ADF members for prohibited substances will, I believe, act as a strong deterrent to prohibited substance abuse, including the misuse of prescription drugs. But this will be a challenge. In order to meet this challenge, this bill extends the scope of the current drug-testing regime of the ADF.

Overall, the ADF has a relatively low usage of prohibited drugs. From February to September last year, 7,637 ADF personnel were tested and only 110 returned confirmed positive test results, representing only 1.44 per cent of those tested. These figures certainly attest to the low incidence of prohibited substance abuse in the ADF. It means the Australian community can be assured that the majority of our service personnel are in top physical condition and are combat ready.

Some on the other side might raise issues about privacy, or indeed wrongful or unfair dismissal, if an ADF person is found to return a positive test for a banned substance. However, the policy committee on defence and veterans’ affairs has been assured that the legislation does not abrogate the right for a member of the ADF to pursue an action for wrongful or unfair dismissal if there is merit to do so.

This is an important piece of legislation. It is important for all ADF personnel and it is important for the wider community. The legislation is an insurance policy that strengthens the ability of our Defence Force to meet any operational need in the future; it sends a clear message to anyone involved in taking prohibited drugs in the Australian Defence Force that their actions will not be tolerated. I commend the bill to the House.

Mrs GASH (Gilmore) (10.09 a.m.)—Drug abuse is a cultural problem that confronts many societies of many nations across the world. It is a scourge that costs billions of dollars through law enforcement, rehabilitation, health treatment and social dysfunction. It also costs industry a lot of money in lost production. There is no doubt that this is a social disease of astronomical proportions and, despite all the best intentions, drug abuse is one of Western society’s biggest health issues. Being a part of the culture of this society, the military cannot be isolated. It is naive to think that somehow our soldiers, sailors and airmen are immune to social influences.

When I saw the Defence Amendment Bill 2005 come before the House, my mind was cast back to the debate surrounding the drug testing of athletes. Drug abuse has been reported since the Greeks started the Olympics in 776 BC. It was then reported that certain substances were ingested by competitors in attempts to gain some ground against fellow competitors. Olympic athletes in ancient Greece were believed to have used herbs and mushrooms in an attempt to improve their athletic performance. However, it was not until the early 19th century that the problem of drug abuse became a great menace to the sport. There were incidents where death ensued following drug abuse. In the late 19th century it was reported that French athletes drank a concoction of cocoa leaves and wine in order to reduce the sensation of fatigue and hunger. As a result, they were able to withstand strenuous forms of exercise and physical activity.
Drug taking has corrupted the ideal of sports. The pressure to win will make athletes do almost anything to find the extra bit that could make the difference. Many techniques are introduced to and employed by athletes in order to gain that extra mileage in their respective fields. These methods are used to increase the effects of drugs and to avoid detection during drug tests.

There are parallels between how we perceive our elite athletes and how we perceive our Defence personnel. We feel proud of them and believe they are something special. We want them to succeed on their own merit and we do not want to believe that they too are fallible like the rest of society. Discovering a representative sportsman is using drugs reflects on us—and we do not like it. Discovering a soldier is using drugs is an entirely different emotion. With our proud military history, the thought that our Anzac heritage has come to this makes us feel repulsed. In practical terms, we have a Defence Force to defend us when the nation is under threat. We would like to believe we can rely on a professional and loyal military to protect us, so when we hear reports of soldiers or servicemen being caught using drugs we feel decidedly uncomfortable, as well we should.

But the real impact has to be felt amongst the servicemen themselves. In a tight situation, how can you trust and rely on a known drug user? When it comes to the crunch will they be there for you? I think at this point it is necessary to reinforce the fact that it is not just hard drugs we are talking about; we are also talking about alcohol abuse, abuse of prescription drugs and use of so-called ‘recreational drugs’. In the last category lies the problem. The very term ‘recreational’ makes it sound like it is all right. Aldous Huxley wrote:

If we could sniff or swallow something that would, for five or six hours each day, abolish our solitude as individuals, atone us with our fellows in a glowing exaltation of affection and make life in all its aspects seem not only worth living, but divinely beautiful and significant, and if this heavenly, world-transfiguring drug were of such a kind that we could wake up next morning with a clear head and an undamaged constitution—then, it seems to me, all our problems (and not merely the one small problem of discovering a novel pleasure) would be wholly solved and earth would become paradise.

Our servicemen and servicewomen are not immune to the lure of escape or fantasy—or whatever it is that drug use brings. But they also have a responsibility to us and, more importantly, to themselves. Many can exercise that responsibility and not have drug use impact on what they do. But some cannot, and that is why I believe this legislation is so important. In historical terms, our experiences of drug abuse mirror America’s, so looking at their experience can be a worthwhile exercise. The Americans have wrestled with the problem of drug abuse since the 1960s, when drugs became fashionable amongst the young. The young were, in fact, the recruiting base for the military, and the leakage of the mores of that society into military culture was obvious. In 1971, a report was released to the United States Congress describing a heroin epidemic in the United States military.

In June 1971, the United States military announced that they would begin urinalysis of all returning servicemen. The program went into effect in September of that year and the results were favourable: only 4.5 per cent of the soldiers tested positive for heroin. Unlike the civilian population, the military environment is under far greater scrutiny and control. If a serviceman is found using drugs, he can be booted out, thus preserving as much military integrity as possible. Civilians stay civilians, and the response there is to punish, when apprehended, by imposing jail, fines or other sanctions.
At least in the military, we can appeal to the individual’s sense of pride and belonging to effect behavioural changes. But, confronted with an entertainment industry that has the capacity to enter people’s lives and shape their opinions, mounting a case against drug abuse is difficult. That the American media glamorised the use of hard drugs there is no doubt. A 30 May 1977 Newsweek story on cocaine was later accused of having glamorised the drugs’ effects and underestimated their dangers. The story reports:

Among hostesses in the smart sets of Los Angeles and New York, a little cocaine, like Dom Perignon and ... caviar, is now—a requirement
... at dinners. Some party givers pass it around along with the—hors d’oeuvres—
... on silver trays ... the user experiences a feeling of potency, of confidence, of energy.
To impressionable young minds, drugs were a ticket to that lifestyle, if only as a means of seeking wish fulfilment. The perception was that using these drugs was ‘cool’ and trendy. That perception remains today. It is the reason that adolescents begin to smoke: it elevates the perception of their standing in their peer hierarchy. I read recently that the brains of young people are not physiologically developed enough to fully appreciate the concept of risk and responsibility. Apparently, nature addresses this by the early 20s and females come out of it quicker than males. But it remains that this developmental retardation coincides with the recruiting age. I suppose that, in terms of risk perception, physically and psychologically, young people make ideal military recruits. But the downside is that this risk perception also draws them to fast living and the need for stimulation. Drug taking fits that prescription.

So I see the only real alternative at this time, in the absence of any other effective intervention, as being to test our servicemen and servicewomen for drug use. It is a step I reluctantly concede because I too would like to believe that our young people are capable of upholding their obligations. But reluctantly I have to concede that this is not the case. This bill seeks to enhance the existing testing regimen and enable provisions for future developments. Like drugs in sport, we have seen ways and means created of subverting the process. Perhaps as a means of deterrence, increasing the possibility of being caught using drugs might stimulate second thoughts before the person reaches for the drug of choice.

I hasten to add that this is just one form of intervention we have to rely upon. We will still need to continue to educate young people generally over the dangers of drug use and the downside of that culture—except in the military, where the need is more immediate. Our operational forces are very small and we have a lot of commitments. I would like to think that the team we put on the ground is the best we have and I do not want each private, seaman or airman looking over their shoulder in a war zone wondering whether Fred is going to be there backing them up. It is a fact of military strategy that a wounded soldier uses more resources than a dead one. We need to ensure that if there are any wounded that is not by self-inducement. The enemy are more than willing to accommodate this, so let us not help them harm us. I know this issue is unpalatable, but I applaud the government for being proactive on this. There are some who will argue that it is intrusive, oppressive and undemocratic to put our military under the microscope. But I say that when push comes to shove we will not have the luxury of debating the niceties of civil convention, especially when the bullets start flying.
It is important that those who sign a contract with the military are fully aware of their obligations and the expectations we have of them. They have to be set out clearly and precisely, and this bill seeks to do just that. My only concern is that establishing such a testing regime may prove a deterrent to some potential recruits. You might well say that those that are put off by this are better off out of the service. But I think there needs to be some focus on selling the benefits of zero tolerance to recruits or at least tempering the sanctions for having a positive result. I would like to reiterate the fact that recruits are drawn from a culture where drug use is common. It may be that we would equally have to consider measures to assist those tempted to simply say no. But, for the most part, I believe the legislation is warranted and I fully support it.

Mrs DE-ANNE KELLY (Dawson—Minister for Veterans’ Affairs) (10.19 a.m.)—in reply—The Defence Amendment Bill 2005 is an important part of the coalition government’s commitment to a more operationally ready Australian Defence Force and to ensuring that the ADF is drug free. That is what the Australian people expect, and that is what the government is certainly seeking to deliver with this legislation. I would like to thank very briefly the members for Brisbane, Hughes, McPherson and Gilmore for adding to the debate on this important amendment. I will touch on the points that they have made later.

I would like to reiterate the purpose of these amendments: to ensure that all members of the ADF, members of the Reserve on duty and defence civilians who are contractors accompanying the ADF on operations and who have agreed to be subject to Defence Force discipline can be tested at any time; to clearly detail the powers for discharge or to terminate the commission of any member testing positive; to allow for testing by any means—this power enables the Chief of the Defence Force to make a disallowable determination allowing new and accredited testing regimes to be used as they are developed; and to expand the range of drugs tested for. ‘Prohibited substances’ instead of the term ‘drugs’ is now used to facilitate testing beyond the range of narcotic substances and includes steroids, party drugs and other substances as determined by the Chief of the Defence Force.

I am pleased the member for Brisbane touched on the issue of privacy. The privacy principles place appropriate limits on the ability to disclose and on the use of test results. The general rule set out in information privacy principles 10.1 and 11.1 states that ‘an agency may only use personal information’, such as the samples from or the results of a drug test, ‘for the particular purpose for which it obtains that information’. It may only disclose such information to the person tested and not to any other person or organisation. We certainly agree that double jeopardy should not occur and believe that the privacy principles in place will ensure that is the case.

I would like to touch on other matters that were raised in the debate. The member for Brisbane asked why the previous minister had indicated in 2002 that regulations were to be made. That is certainly the case. At the time, the government believed that that would in fact be the most effective way to proceed. However, as that was being progressed, it became evident that the service chiefs would be more constrained. It was decided to continue a command initiated process. Of course, regrettably, as we found in September last year, a magistrate indicated that that was not allowable under part A. As a result of that, the Minister for Defence, Senator Hill, moved very swiftly to ensure that these amendments were made. We have great regard for our defence forces. There is
no attempt in any way to blame the Defence Force. It was believed that command-initiated was the best way to proceed and that the regulations would simply have been tinkering around with something that needed to be substantially changed. We have recognised that and done that now, so I thank the member for Brisbane for raising that issue.

The member for Brisbane raised the question of members serving overseas with other forces on exchange or similar duties and asked whether they would be liable for testing. While it has yet to be determined how members will be tested, there are several options being considered. Authorised drug testers from any service may test any ADF member, including those deployed on operations. If no authorised person is available, a testing team might be sent from Australia. A local testing contractor could be engaged, provided that the testing is conducted in accordance with Australian standards. Furthermore, arrangements could be made for the host services to conduct testing on behalf of the ADF. Again, testing would need to be in accordance with Australian standards, and testing results would need to be passed directly from the contractor to ADF. In cases where a suitable testing laboratory was not available, samples would be returned to Australia for analysis. Necessary arrangements would be made to ensure that any member who tested positive was dealt with in accordance with ADF policy and not local law. This would require strict confidentiality of test results.

The member for Brisbane also raised the question of other services in Australia, most specifically the United States Air Force. In regard to the US Air Force, we have always found that there have been no difficulties with their performance. The United States are very sensitive to the rules and regulations of the country in which they operate. The member for Brisbane would also be aware that, for joint exercises in Australia, there is a status of forces agreement, SOFA, that generally covers the range of issues which facilitate joint exercises with any ally. In closing, I again thank all of those who have contributed to this very useful debate on urinalysis testing in the Australian defence forces. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mrs DE-ANNE KELLY (Dawson—Minister for Veterans’ Affairs) (10.25 a.m.)—by leave—I move:

That the bill be now read a third time.

Question agreed to.

Bill read a third time.

AGED CARE AMENDMENT (TRANSITION CARE AND ASSETS TESTING) BILL 2005

Second Reading

Debate resumed from 10 February, on motion by Ms Julie Bishop:

That the bill be now read a second time.

Ms GILLARD (Lalor) (10.26 a.m.)—Today is a good day to be debating in the House matters related to health and aged care because today, of course, is the day on which the Howard government’s political spin about health has finally caught it out. In the last 24 hours, we have had three significant events happen in the area of health. The first, of course, has been the focus on dental care and Minister Abbott’s frank admission that there is a major problem with dental care and that the Keating government’s Commonwealth dental program was effective and did make a difference to reduce waiting lists—a thing that Minister Abbott admitted yesterday. Of course, it was the Howard government, when coming to office, that abolished the Commonwealth dental program. Since
that time, the Howard government has tried to maintain the fiction that this was a program due to expire in the natural effluxion of time. That fiction, of course, is wrong.

The savings that the Howard government got from the abolition of the Commonwealth dental program are clearly shown across the forward estimates over the four years, so it is a program that ought to have been ongoing. Minister Abbott as of yesterday admitted that this has lengthened waiting lists for Australians. I think it is good to see the member for Throsby in the House when this matter is coming to the attention of the House because, on behalf of her constituents—many of whom are older Australians—she has been raising this issue consistently for people who now face five-, six-, seven- and eight-year waits for dental care. Minister Abbott’s solution yesterday, proposed for a 13-year-old boy with a disfiguring dental condition who was probably going to have to wait until he was 18, 19 or 20 for treatment, was to appeal on Sydney radio for a private dentist to come forward and volunteer to do it for free.

Ms George—Charity.

Ms GILLARD—That is right: the solution that is being proposed is not government intervention but charity. This washing of hands by the Howard government, and particularly Minister Abbott, on the question of dental care is a disgrace. I think we should take the opportunity today to mark it in this House as a disgrace. It is time that Minister Abbott actually listened to himself and managed to start negotiations with the states about a Commonwealth dental program that would make a difference.

One of the things that most perplexes me about the Howard government’s attitude to dental care is that across so many areas of policy we see huge interventions from the Howard government in things that historically have been considered the province of states—for example, the technical colleges promised at the last election. The government are always willing to do that if they see a political advantage. But in this area where Commonwealth responsibility is clearly specified in the Constitution the Howard government have done nothing.

Even if Minister Abbott’s spin about washing his hands and averting his eyes as Australians stay on waiting lists is accepted, there is one area of dental care that this government cannot get away from no matter how much it squirms, and that is its responsibility for providing funds to train the appropriate number of dentists, dental therapists and dental hygienists. We know that there is a work force crisis in dentistry across Australia which is affecting our ability to provide public dental care as well as dental care in the private sector. For example, the OECD average for dentists is 56 dentists per 100,000 people. However, in the crisis area of the central west of New South Wales, the number of dentists is only 17.3 per 100,000. That ratio would be identified more with the Third World or developing world than with a First World nation like Australia. It is an incredible shortage. At places like Sydney University we know that the numbers being trained have halved and that the foreign students who are taking places in Australian dental programs under the full-fee paying arrangements are very likely to leave Australia at the end of their studies. This is a work force crisis centrally caused by the Howard government and unaddressed by the Howard government.

Before moving to the details of the bill before the House, I take the opportunity to record that I have been contacted about this dental crisis by a dentist in Bega. She has written to me to say that she is currently trying to fill a vacancy in her practice and is having great difficulty finding a dentist to fill the position. She blames this on the lack of
dentists being trained. She can say from her experience that, when more dentists were trained, she could not find a government position because there were dentists around to take those positions, so she went to a rural area. She has been more than happy with her life in that rural area. But now, because there are not enough dentists being trained, there is nothing to cause someone who completes training to think about the option of going rural, because they will clearly get a job in the city. She questions why it has become so restrictive and so difficult to study and train as a dentist. I think they are very wise words and ones that the Howard government needs to respond to.

The issues surrounding the debate today are not just those that have been raised in the last 24 hours about dental care. We have had the Minister for Health and Ageing make the quite extraordinary admission that mental health services in this country are ‘an absolute disaster’—his words, not mine. That is one thing that Minister Abbott managed to get right. But what he has not managed to get right is to say that the Howard government bear some responsibility for this absolute disaster. And Minister Abbott bears more responsibility than most because during his time as health minister he has palmed off mental health to the parliamentary secretary for health as if it were a second-class and uninteresting area. Indeed, the only policy innovation in mental health that the Howard government have made in the time that Minister Abbott has been the minister for health was when they endorsed Labor’s mental health policy during the last election campaign. That is another issue affecting the health and aged care sector that surrounds this debate today.

The third and final issue that surrounds this debate today is the news that people who have Medibank Private health insurance face restricted choices when they come to use that private health insurance. The one thing the Howard government could say for itself in the area of health is that it has been a good supporter of private health insurance. That is undoubtedly true. But it has not used that support in a way which ensures that people who hold private health insurance get value for money. Consumers of private health insurance are now increasingly being squeezed in a vice where their premiums go up every year without fail. Last year they went up by 7.9 per cent on average, and I will warrant that this year the average increase will be larger than that. Some people have paid for private health insurance for years and have maintained those premium payments in circumstances where it has been very difficult for them to do so in tight family budgets. When they turn around to use it, they are faced with out-of-pocket costs.

The House processed a bill this week which we fear might lead to increased out-of-pocket costs for medical devices. Today we see the news on the front page of the newspapers that Medibank Private is going to adopt a system where, if you want to go to your local private hospital and Medibank Private does not have a deal with that local private hospital, you will only be able to go there if you pay substantial out-of-pocket costs, perhaps in the order of $100 a day. So much for the rhetoric of choice. Even the Howard government’s preferred policy area in health is one that they cannot manage effectively in the interests of Australian patients and consumers of private health insurance.

It is in that setting of crisis and unanswered questions that we come to debate the Aged Care Amendment (Transition Care and Assets Testing) Bill 2005 today. It is with some amusement, I must note, that this bill finally offers some incremental change in the crisis area of the interface between acute care and aged care, which figured in so much de-
bate during the recent election campaign. We know that, because of the Commonwealth-state divide, the Howard government is in a position to go on underfunding aged care until the cows come home, knowing that older Australians who cannot find a residential aged care place will end up being picked up by state administered public hospitals.

Under our current Commonwealth-state arrangements, why does the Commonwealth care if state public hospitals are under increased stress and strain? The truth is it does not. It absolutely does not care that state public hospitals are under increased stress and strain. We have been in a cycle where aged care has been underfunded and state administered public hospitals have been picking up the load. Labor for a long time now has been pointing to the need to resolve this discontinuity in the Commonwealth-state divide and to get a better package of care for older Australians. In the election campaign that has passed we had a substantial and innovative policy to do that in the form of Medicare Gold.

There remains a challenge for the Howard government, who of course have been critical of Medicare Gold. They criticise Labor's policy solutions, but they are actually not the opposition or an academic think tank churning out pot shots at other people's public policy; they are the government and it is incumbent upon them to come up with a solution of their own that deals with the fact that $500 million to $600 million is wasted every year because frail aged people end up being accommodated in public hospital beds when they do not need to be there. They are still there because they cannot make the transition from the public hospital bed to a residential aged care bed because one is not available, or they got there because they were not receiving an appropriate package of care and they developed conditions which justified them being in a state-run public hospital—conditions they need not ever have developed if they had received an appropriate package of community or residential aged care earlier.

So there is $500 million to $600 million wasted every year and, of course, there is human tragedy. Why should any person, let alone an older Australian potentially in the last few years of their life, end up being stuck in an acute public hospital bed, which is not a fun place to be if you do not need to be there, or, even worse, end up suffering from medical conditions that were preventable and avoidable—and which need hospital care—if it could have been prevented through a better suite of government arrangements? The challenge for the Howard government is to resolve ultimately the problems with the acute and aged care interface that drive that waste of public money on the one hand and the human tragedy besetting older Australians stuck in the system on the other. To that primary challenge for health care policy in this country the Howard government has absolutely no answers of any substance and it contents itself with taking pot shots at others who might be trying to find those answers. That is simply not a good enough standard for the government to set for itself.

This bill actually represents the tiniest incremental change on this big public policy question. Of course, we never expect major steps forward from the Minister for Health and Ageing, because he wanders around the country indicating to all and sundry that he is opposed to health reform. His world view is that no matter how bad the system is he does not want to be reforming it. He just wants to sit and, presumably, wait for another portfolio to be allocated to him in due course during this parliamentary term. But, with a perspective of no health reform, which is the minister’s stated view when it comes to health, it is pretty hard to come up with big
solutions to big problems. Fortunately, despite the minister’s attitude, in some way the system drives tiny changes itself, and today we are seeing one of those tiny but worthy changes. It is not going to go any way to fixing most of the major problems, but it is a tiny and worthy change and, given that, Labor is prepared to support it.

The bill amends divisions 42 and 44 of the Aged Care Act and is about improving the nature of the arrangements in place when someone is in residential aged care and then needs to receive transition care following a hospital stay. Despite the Howard government’s, and particularly Minister Abbott’s, complete lack of interest in fixing the acute aged care divide—and despite the minister’s complete opposition to health reform—fortunately Labor states have been pushing and prodding the government to engage in the development of some transitional care for older Australians. So people who may be in residential aged care and develop a condition that needs hospital treatment are then able to go to a transition care facility—a non-hospital facility, though it is true to say some transition care facilities are located within hospitals—to enable their condition to be stabilised and for them to adjust to a new set of circumstances, if they have had a hip replacement or the like, before they go back to their residential aged care place. Whilst that is a worthy pattern of care for an older Australian, the financial arrangements that the Commonwealth provides to residential aged care needed some adapting to that pattern of care, and this bill is part of that adaptation.

What we find in this bill is a set of leave arrangements which ensure that, if someone is effectively on leave from their residential day care facility because they are receiving transition care following a hospital stay, the recipient’s normal care arrangements remain and can be accessed by them following the period of transition care. Of course, this requires the provision of subsidies to the approved providers of their residential aged care. It stands to reason that, if someone is absent from their residential aged care place for a period of time whilst they are in transition care, the operator of the residential aged care facility, without any further subsidies, is not able to hold a completely non-remunerative place available. So they are likely to fill that place with another frail aged person, which then creates a problem when the frail aged person in transition care is ready to go back to their residential aged care facility. This pattern of payments that the bill deals with will enable residential aged care providers to maintain the open residential aged care place for the older person to come back to following their period of transitional care.

This policy response follows the government’s response to the review of pricing arrangements in residential aged care, which of course was better known as the Hogan review. Out of that, a range of initiatives were funded, including the establishment of a national transition care program to address the needs of some older Australians who had been hospitalised. This bill amends the aged care principles to establish transition care as a specific form of flexible care for which an approved provider will be eligible for a flexible care subsidy. The bill establishes a new category of leave from residential care for the purposes of receiving flexible care. We understand that a subsequent amendment to the residential care subsidy principles will specify transition care as a form of flexible care for which leave from residential care is available and establish the maximum period of such leave available following a hospital episode.

The bill also extends provisions of the act that deal with the reduction of the residential aged care subsidy when a care recipient is on extended hospital leave. This will now also
apply to a flexible care arrangement. As such, the subsidy will reduce once a care recipient has been in hospital and transition care for at least 30 days. Because the reduction in subsidy is achieved by reducing the classification level of the residential care recipient, this would make a transition care recipient normally in receipt of the concessional resident supplement ineligible under provisions of the act if they were reduced to the lowest applicable classification level. An exemption to this which currently exists for care recipients on long periods of hospital leave will be extended to include care recipients in transition care.

Apart from the necessary legislative amendments to achieve that purpose—a more streamlined interface between residential care and transition care—this bill also deals with the question of assets testing. As I think most members of this House would be aware, possibly from having received complaints from individuals about the system, under the current system assets assessments are undertaken by an approved residential care provider at the time a person is ready to enter residential aged care. Approved residential care providers may claim a concessional resident supplement or an assisted resident supplement from the Commonwealth based on assets information provided by a resident at the time they entered the approved facility. Approved providers may request a resident to pay an accommodation bond or an accommodation charge based on this information. This bill changes current arrangements by introducing a number of measures to enable the Secretary of the Department of Health and Ageing to conduct asset assessments for new residents entering aged care homes and to delegate this power.

Once again this follows recommendations flowing out of the Hogan review that the assessment of residents’ or prospective residents’ assets should be the responsibility of the Australian government rather than an aged care service provider and that this set of assets testing should be undertaken prior to entry into residential aged care. To achieve this result, whilst the formal power is vested in the Secretary of the Department of Health and Ageing, through a set of delegations the assets testing will actually occur through Centrelink and, in the case of veterans, through the Department of Veterans’ Affairs. That set of delegation is contained in this bill.

Obviously these amendments are not ones to which Labor would object. Clearly there is merit in having the Commonwealth government through its agencies—which already generally, and particularly for older Australians, have such information relating to people’s assets and income position—undertaking the relevant testing of the assets position rather than the residential aged care provider. So we will be allowing the quick passage of this bill through this House and it is our intention to support this bill in the Senate. Having said that, I would once again say that, whilst these are worthy amendments, these are small amendments which only go a tiny part of the way to resolving the substantial dilemmas flowing from the Commonwealth and state divide in aged care and the provision of acute care. All modern clinical practice indicates that transition care is very important in maintaining the health of older Australians. This bill recognises that, but currently the set of arrangements between the Commonwealth and the states really only recognise that in a very small way. We need a much more thoroughgoing examination and solution to the problems between acute care and residential aged care, and this bill only forms the tiniest part of the answer to that very substantial set of problems.

Mr BAIRD (Cook) (10.49 a.m.)—It is my pleasure to support the Aged Care Amend-
ment (Transition Care and Assets Testing) Bill 2005 today. Despite the fact that the member for Lalor was fairly grudging in her support for this bill, nevertheless we are pleased to see that the opposition do provide support for the transition of this bill. I commend the minister in bringing forward this bill. It was part of the promises made by the Treasurer at the time of the budget and obviously is a significant step forward. I notice that the member for Lalor, the author of Medicare Gold, which was roundly rejected by the electorate, is now criticising the government for what our failures might be in aged care. One has only got to compare the regime under this government with what it was some 8½ years ago to recognise that significant incremental steps have been made, particularly under this Minister for Ageing, Julie Bishop, who has done an outstanding job.

In the last budget the Australian government provided an extra $2.2 billion in funding for aged care facilities. This will provide 27,900 new aged care places, an extra $877.8 million over four years, increased funding for aged care providers to construct new homes et cetera. So it was an incredible package that was put forward. This is the largest amount put into aged care provisions—some $2.2 billion—and it really shows the commitment of this government to aged care. In my own electorate of Cook, some 18½ per cent of my constituents are aged 65 and over. That makes my electorate significantly older than the average for electorates across Australia, which I understand is about 12½ per cent aged over 65. This is the Australia that we will be looking at in the future with the ageing of the population and that is why it is so important to get some of these transitional measures in place and to look at where some of the problems are. I am very pleased at the extent of funding that has occurred under this government in my area, where we have some 19 aged care facilities. There are 12 villages in my electorate and they have received the one-off $3,500 payments to some 1,970 residents—a total of $17.4 million of recurrent funding in the 2002-03 budget year.

So in my own electorate there is a recognition of the needs of the ageing population. Certainly it has been well received. We have new facilities being built at Taren Point which will include residential care as well as frail aged care facilities. That is going to be a significant addition at Taren Point. We also have the Donald Robinson Village, which has just been completed, and work has started on the new Greek Orthodox church at Miranda. These are some initiatives in my electorate alone which indicate the extent to which the government has been active in this area.

The particular bill before us assists in terms of the transition for those who are admitted to hospital who have been in residential care and who, obviously, are eligible for residential care. Having experienced some serious medical problems in hospital, they then have the opportunity, as they undergo some significant therapy and support, to assess their own situation. They can assess whether they should go into an aged care facility for the frail aged or whether they should return to their residential care facility. It allows older people and their families time to assess their options while receiving rehabilitation services and support to increase their confidence and independence.

The care services are targeted at clients needing further assistance and support before finalising their long-term care arrangements. Some 2,000 transition care places are going to be created over the period 2006-07 to help older people make the transition from hospital to longer term care arrangements. With an average period of transition care of around
eight weeks, when fully established these 2,000 places will assist up to 13,000 older people every year. Each state and territory will receive a proportion of the 2,000 places broadly in line with the proportion in each state of their population aged 70 and over and also Indigenous people aged 50 and over. States and territories will develop a three-year implementation plan. These places are going to be gradually increased over the years 2004-05, 2005-06 and 2006-07. They will include 1,600 new flexible aged care places. We expect the first places to be allocated in June 2005. A total of $70 million has been allocated overall for the government contribution for the 2,000 places, and that is at the cost of $102.77 per place per day for transition.

One could ask whether the transition care program will fix the problem of older people waiting too long in hospital before they get into residential care. This transition care is available for those who have completed their hospital episode and would otherwise have entered residential aged care. It will be predominantly of benefit to older people, but it will also assist the hospital system residential aged care system. This program is in parallel with and complements the growth in the number of residential aged care places available for older Australians. It is in addition to the $253 million that the Australian government has provided through the Pathways Home program.

This program recognises the problems of people when they have finished their treatment in hospital who still need recuperation, who are undergoing therapy and who are deciding whether they are going to go into frail aged facilities, which is never an easy decision to make. I am sure none of us are looking forward to making that choice. This will enable the families to assess the options with the patient, but it will also provide funding to the residential care facilities to reimburse them rather than have long periods where the place is vacant and, of course, it will enable the states to develop this facility.

It is a very worthwhile program and it recognises the difficulties in aged care. Sometimes there may be delays in finding a place in the aged care facility and it provides transitional treatment during that time. It is a very worthwhile activity. Part of it is the transfer of functions for the assessment of individual patients. Assets testing for residents and soon to be residents of aged care facilities will be transferred from the approved providers to Centrelink and the Department of Veterans’ Affairs. The assessment in the past has taken too much time, paperwork and bureaucracy for the providers. Their job should predominantly be providing effective aged care services and facilities to the frail aged and to those who are in residential care rather than going through this bureaucratic process. Centrelink are well set up to make the assessments, as is the Department of Veterans’ Affairs. It is an administrative requirement, so this will add to the smoothness of the way in which the assessment is administered. I am sure there will still be debates as to the assessment of assets in terms of whether residential bonds will be provided. That, of course, has to be cleared by the department. It is a sensible transition; it smooths the bureaucratic hurdles and it takes away responsibility from the providers and enables them to put their predominant focus onto aged care servicing.

Despite the complaints by the member for Lalor, she grudgingly supported the bill as the glow of Medicare Gold has faded into the sunset and we are faced with the real requirements of aged care services in this country. This transitional arrangement is very welcome. It will provide 2,000 places, it will cost $70 million and, of course, it sensibly transfers the assets assessment to Centrelink and the Department of Veterans’ Affairs.
Overall, it is a worthwhile addition. It is an incremental step and Minister for Ageing needs to be complimented on bringing this legislation forward.

Ms HALL (Shortland) (10.59 a.m.)—Mr Deputy Speaker McMullan, this is the first time I have spoken since you have been in the chair, and it is a great pleasure to do so. Unfortunately, the previous speaker is deluding himself if he believes that all aged care issues have been dealt with by this government and that no issues exist for older people who need assistance to access residential care or community packages. If he is not aware that those problems exist, I think he needs to go and talk to people in his electorate, because in my electorate we are constantly being contacted by people who are very concerned about aged care issues.

The Aged Care Amendment (Transition Care and Assets Testing) Bill 2005 has been introduced in response to the Hogan review of pricing arrangements in residential aged care. The Hogan report is a very lengthy document that came out of a review that cost a considerable amount of money and came up with some recommendations I agree with and some which I feel are misplaced. It was a review that the aged care industry was waiting for over a considerable period of time and there were great expectations of it. I find it most concerning that the government has been slow to implement the recommendations of the report. I will touch on some of those recommendations as I proceed through my speech and I will also highlight areas where I believe the government has failed older Australians.

This legislation amends the act to support the implementation of transition care programs and it transfers the assessment of asset testing to Centrelink and the Department of Veterans’ Affairs from aged care providers. It is interesting that recommendations relating to resident classification scales have not been implemented. It is interesting that the recommendation on planning arrangements, which was recommendation No. 1 of the Hogan report, has not been implemented as yet. I see that as quite a big issue and one that will go a long way to addressing the fact that there are many phantom beds—beds that have been approved on paper but never built. Within my own electorate I know that if those phantom beds had been built they would have gone a long way towards dealing with the shortage of aged care beds, both low care and high care. Currently we have people waiting for a considerable amount of time to access an aged care bed. One of the causes of that is that planning is not responsive to the needs of various areas. The government has not looked at issues surrounding development. These are some of the things the government should have turned its mind to sooner rather than later.

While Labor are supporting this legislation, I do not think it attacks the real issues or core problems, the key recommendations that the Hogan report made, and I do not think these are key issues for older Australians. There were 2,000 places announced in the 2004-05 budget for the transition care program. The government says that will allow older people who have been in hospital more time to recover in an environment that gives them access to rehab, and I think that is a very positive step. It allows a person to have appropriate care in an appropriate setting and it is a more person focused approach to aged care. It allows for better integration between aged care facilities and services and hospital services. It is a position that I think anyone who has any understanding of aged care would agree with and support.

The amendments in the legislation relating to transition care have been introduced to ensure that residents of residential care facilities are able to receive transition care fol-
following hospitalisation. They ensure that residents’ current care arrangements remain in place following a period of transition care. This is a positive change that allows residents to maximise their rehabilitation in an appropriate environment. If a person has a stroke, they can get the treatment and care they need to maximise their functionality. The legislation amends the act to establish transition care programs once a person has been in hospital. It establishes flexible care for approved providers with flexible care subsidies, and there is a new category of leave for residents for the purpose of receiving flexible care. It sets the maximum period of leave for this care and puts in place mechanisms to reduce residential subsidies when a person is receiving transition care.

That will allow an optimal outcome for an older person who is receiving that care. It is really about the person. Unfortunately, in many areas of aged care this government has moved away from keeping the person as the key focus of its programs. It has put in place systems within residential care facilities that are absolutely overwhelming those facilities with red tape and bureaucracy. The resident classification system, RCS, has created enormous problems for staff working in facilities.

I note that recommendation 5 of the Hogan report is that the residential classification scale, which currently has eight categories, be reduced to three categories, including: low care, consolidating the current RCS levels 5 to 7—and there is currently a level 8, but it does not attract any government subsidy; medium care, replacing RCS levels 3 and 4; and high care, replacing RCS levels 1 and 2. That will streamline it, reduce the paperwork and make it easier for people administering the system. But we are not discussing that today—and it is interesting to note the priorities of this government.

There is also a question mark over whether, under the medium-care category, residents moving into medium-care facilities will be require to pay a bond. Currently, residents in low-care facilities pay residential bonds and people in high-care facilities do not pay residential bonds. Knowing the way this government works, I have great concern that people entering a facility at the medium-care level will be forced to pay a residential bond. I am sure we will find out very soon. I do not think too many people will be surprised if the government starts forcing people entering residential facilities at the medium-care level to pay a residential care bond.

Whilst the government has to some extent turned its mind to people living in a residential care facility, I think it needs to expend a little more effort on, or increase, its community aged care packages for people living within the community. In my electorate of Shortland, there are areas where a lot of elderly people live where those packages are unavailable or there are insufficient packages. The government has raised the expectations of older people that they will be able to access those packages, but unfortunately those packages are not available to them. It is very similar with veterans’ home care packages, which have been reduced. The hours of assistance which people get with their daily living needs and around their homes have been reduced. The government has been backing away from a commitment it made to the Australian people.

I have spoken about the planning process and how inadequate it is. Hunter New England Health covers part of my electorate. It was previously the Hunter area, but there has recently been a change and it now includes the New England area. I will be interested to see how that works in relation to people who live in the Shortland electorate. I have problems with planning being determined just on
the Hunter area. You can have a high concentration of nursing home beds—residential care beds—in one area, yet people living some 200 kilometres away are still being assessed in that area but may have only very limited access to residential care beds. The planning process needs to look more at meeting the needs of people in their local area rather than encompassing a very big area.

It concerns me that the government comes to this House and tells us what a wonderful job it is doing in aged care, when there are a large number of people waiting for access to residential care facilities and community aged care packages. My way of looking at it is that, if people are waiting—if you do not have enough beds—you are failing the community. Based on what I have seen and what other members have said to me, this government has failed older people. We have an ageing population, and the need for government to be responsive to the needs of older people is greater than it has ever been.

When it comes to implementing aged care changes, the government is always driven by the philosophy that people need to contribute to their own wellbeing. The government wants to shift the blame for the problem to someone else. The situation with phantom beds is that the government has approved the beds but they exist on paper only, so there are inadequate beds in all the communities that we represent in this parliament, and older Australians are being forced to stay in hospitals. The government is forcing the costs of aged care onto the states. In the process, they are ignoring the needs of older people. Hospital is not the optimal place for people to be. They should be in an aged care facility that can be their home and where they can get appropriate treatment. I really believe something needs to be done about that.

That brings me to the issue of the workforce—an issue that was identified in the Hogan report. In the aged care sector there is a real problem getting sufficient numbers of well trained staff. Hogan made some recommendations in relation to staffing. I think that is one area the government should have acted on very early in the piece. The Hogan report suggested that the government refocus and expand support for education and training of aged care nurses and aged care workers. The report goes through and identifies the shortage and the fact that the workforce is largely an older work force, particularly in relation to registered nurses. Unless something is done to address the issues relating to the workforce within the aged care industry the crisis that we have now will be exacerbated. Unless something is done we will not be able to get suitably trained staff to work in residential care facilities and to deliver the community care packages. I know how difficult it is for the organisations that have those community care packages to implement them because they cannot get the staff to do it. I know how difficult it is for residential care facilities to keep their facilities operational because of the lack of suitably trained staff. If the government does not pick up that recommendation of Hogan and work on it very quickly, the crisis we have now will only get worse.

Moving away from the transitional care, the other aspect of this legislation is the transfer of asset testing to Centrelink and the Department of Veterans’ Affairs. That was recommendation 10 in the Hogan report. The cost of this change will be $19.7 million over four years and the implementation date is 1 July this year. Under the current system asset assessment is made by an approved provider at the time that a person enters a residential care facility. This increases the amount of paperwork for the residential care facilities. Only last night I was speaking to a person
who works in a residential care facility and he advised me that he thought that that was a very good move and that it would help the residential care facilities, so that change should be embraced.

It seems that the expertise in relation to assessing assets of people rests with Centrelink and the Department of Veterans’ Affairs so it only seems appropriate that they do it rather than taking up the time of providers of residential care and involving them in paperwork that they do not need to be involved in. At the moment the residential care facilities can provide the assessment and then claim the concessional residential supplement or the assisted residential supplement from the Commonwealth. This will take away the need for them to make all those assessments and it put it in the hands of the experts in Centrelink and the Department of Veterans’ Affairs. As well, this legislation provides an extension of seven days, which commences from the date a person enters a residential care facility. That changes the period from seven to 21 days during which residents need to sign their accommodation bonds or accommodation care agreements.

Issues relating to aged care in Australia are numerous and there are a significant number of recommendations in the Hogan report. I believe it is time for the government to get serious about aged care. I believe it is time for the government to look very carefully at the Hogan report and implement those recommendations that will be of great benefit to older Australians. It is time that the government put the needs of older people first and implemented proper policies that meet their needs.

Mrs Hull (Riverina) (11.19 a.m.)—I have great pleasure in rising this morning to support the Minister for Ageing on the Aged Care Amendment (Transition Care and Assets Testing) Bill 2005. The bill plans to continue with the government’s goals to further improve aged care in this country and it builds on our achievements to date. Included in this amendment are the implementation of the transition care program and the transfer of asset testing to Centrelink and the Department of Veterans’ Affairs.

The establishment of a national transition care program will assist our older people after a hospital stay. This government will make available 2,000 flexible care places over three years to assist our older Australians. Many older people in our communities want to remain in their own homes longer, often with the support of family and friends. By remaining in their own homes with some level of support they retain a sense of independence. However, there are times when, in the event of an illness, a fall or an accident of some description, elderly people require hospital care. Many, when they are recovering, are placed either in a residential facility, because they are not able to be self-supporting in their own home, or at worst they are sent home where there are no adequate or sufficient support services available to them.

These are the situations where there are some major problems. For example, an elderly person may have had a hip broken or had an episode of cancer and been hospitalised. They have been able, and will in the future be able, to look after themselves but their surgery or their illness has rendered them very ill, weak and in need of care for longer periods than is available in the hospital system. Therefore, they are faced with an enormous dilemma. Not only are they faced with the dilemma, the families of ageing people are faced with the dilemma too. Nobody knows the heartache and pain of deciding what to do for an ageing family member until they have actually experienced it.

There is nothing more draining or significantly challenging in the life of a daughter or
son of an elderly parent. They have a full workload, both partners are working and they have children, and all of a sudden mum or dad has a fall or contracts an illness that sees them needing serious surgery or serious hospitalisation and treatment and, when they come out of hospital, their children recognise that their parent cannot go home. If there are no available support services, particularly in rural and regional communities, they are faced with: ‘What are we going to do? We’re all working, we don’t have time, we don’t have holidays left and we don’t know how long this rehab process is going to take.’ Mum or dad cannot go back to their own home because there is simply nobody there to provide the necessary support. It is not just the elderly people who are in a dilemma then; it is everybody. It is absolutely heart-breaking. It is the source of much stress in many of our families today. With our ageing population, many of our working families are feeling the enormous stress of not knowing where they can access care. As I said, it is particularly difficult in rural and regional areas because of distance.

What the government is putting in place with this transition care bill is so overdue but so very welcome, and I congratulate the minister for embracing this process. There is so much difficulty out there associated with parents being in significant difficulty and how they will be cared for. As I said, it is not always the best option to send elderly people home or to place them in a continued residence facility, because many of them know that they will recover from their illness and that they just need time to get back on their feet, so to speak, and they grieve. They are given limited opportunities and support to enable them to recognise that they may have another 10, 12 or 20 years in their home, but because they have had this unfortunate incident they are causing stress and grief to their children and other family members.

That is when elderly people feel that they have become a burden to their families, when in fact they are not a burden. Our lifestyles are such now that marriages and relationships have both partners working and people are battling to deal with everyday life, and there is nothing worse than your parent feeling they are a burden. On many occasions care has to change on a daily basis, such as for an elderly person who may have had bowel cancer. They have been hospitalised, and when they come home they have difficulty with the changes in their body that the bowel cancer operation has created. They are not able to deal with the fundamental everyday nursing needs of their bodies; they are not comfortable with those areas. So, of course, they start to lose confidence and think, ‘Maybe I do need full-time care,’ when in fact, given time to learn and understand how their lives will be after bowel cancer, they would be able to adequately deal with that in the future.

We have seen many times in the past when our parents have been put into care facilities long before that was really required, when they could still have been living independently long before requiring accommodation in aged care facilities. So I am very pleased to see this government recognise the needs not only of the aged people in our community but also of their children and their families. This transition care bill is a godsend to the many families out there who are taking long service leave to care for parents, who have put their employment prospects on hold to ensure that their parents are being looked after. It is not just a support network, a support structure, for aged people. I see this as being critical for families who are struggling. I have been in the position where I struggled to see my parents have a quality of life to the end of their days, to try to balance my commitments to work and responsibilities at home while still wanting...
to ensure that I remain a faithful daughter committed to my parents. I am very pleased to see that this government has looked at not only what this can deliver for aged people but what it can deliver for their families.

In addition to this new program, the government has provided $253 million through the Pathways Home program to assist older people in the move from hospital to their homes and the aged care innovative pool that deals with the relationships between hospitals and aged care. With the introduction of this program, we can also be confident that residential care is being provided for those most in need. Other support options are being made available to elderly people and their families—as I said, we must not forget families and carers—with a need for low-level care and assistance.

We must be very cautious to ensure that people can stay at home longer. We must be cautious to ensure that support services are available in the communities where these people live. Far too often people are living in their homes with few support services available in the communities. The packages are out there, being delivered by the government, but there are no providers in many regional communities. So people are unable to access those support structures in both large communities and small communities.

It is incumbent upon us, as a government and as an opposition, to recognise that we need to ensure support services are available in all communities for people to access and take advantage of them—because there is nothing worse than knowing your elderly parent, relation or friend is at home 24 hours a day and that for only one hour of that day, if they are lucky, is somebody coming in to assist them. What are we doing for the other 23 hours in the day? Maybe it is down to two to three visits a week, not because the government is not making these packages available but because the providers are just not in these communities. We have to do something to provide incentives for the people who offer these services and outreach programs to literally move from larger communities into these smaller communities. It is no good just sending somebody out once or twice a week. They need to be encouraged and incentivised to put outreach programs into smaller communities to ensure that these programs are working in the spirit that the minister intended.

The Transition Care Program is also ensuring that the government is targeting the correct resources to the correct groups of people. Transition Care provides short-term support for older people and targets older people who, at the conclusion of a hospital episode, require more time and support in a non-hospital environment. The program not only provides those people with the opportunity to recover but also gives them time to consider their options. It gives them time to discuss issues with their families—because their families may have moved away. This is particularly the case in smaller communities where job opportunities have been limited in the past.

Many of us have moved away from the smaller communities we were born in and have had to take employment paths elsewhere, leaving our parents in those communities on their own with no family support structures to give them assistance. I know—I was born in Guyra, a wonderful little town in the New England. I loved that little town but, unfortunately, had to move from that community in order to secure employment, which left my mother and father in that community with no family support. Then, when my father passed away, my mother was left alone and without the confidence to move to another community to live with me. But, having finally convinced her to move,
she was basically able to enjoy life once again.

With transition care, it is really important that we give time for people who are living in communities away from their families to discuss what is required and what their future options might be. Then they will have real choices—whether to enter a residential facility, to remain living independently with some level of support made available through the government’s packages or to move from that community and relocate with family members somewhere else. All of that takes time and planning for everybody. So this program is just amazing.

If it had been available to me when I had problems associated with both parents contracting cancer and needing extreme care and support, I would have had easier options and it would have been far better for us as a family and far better for my parents to have been able to access something like this. The aims of the program will be to reduce the number of inappropriately long hospital stays and to prevent premature admissions to residential care. Also, as I have reiterated, it will provide the families of elderly people with choices rather than panic and guilt.

The states and territories have agreed with the Commonwealth that, based on the results of pilot projects, care recipients should be able to receive up to 12 weeks of transition care, with the possibility of extending that by six weeks. Elderly people already living in residential care can also access transition care. This is what I see as the best benefit of all, and I only hope that the government will look at this issue as a windfall. By extending transition care to people who already live in residential care, we can hopefully open up those beds for respite care. While the people who are currently in residential care are having a hospital episode and are in transitional care, it would be sensational if we could utilise those beds for urgently required respite, particularly in rural and regional areas.

By extending it to residential care, the government has, I believe, opened up extremely good opportunities for us to take advantage of that. The government will continue to pay the aged care provider a subsidy for the period the resident is receiving transitional care, so it should follow that the government could and should expect that the bed be made available to address the urgent shortage of respite care. It makes perfect sense to be able to do something like that, because we have such a shortage of respite for elderly people who are currently being cared for by family members who never, ever get a break. It would be an amazing relief for them to be able to access this available respite.

I see this as a win-win situation. It is a windfall bonanza. If a residential care resident has to undertake transitional care, then the residential care provider should ensure the vacant bed, for which it is receiving a subsidy from the government, is open for respite care. That bed would then be available for the resident to come back to, and no longer would the resident have to worry that they might lose their bed. I see this government as extremely proactive in dealing with aged care services. The transfer will enable aged care providers to concentrate on their primary objectives. The transfer of responsibility for the asset testing of new residents entering aged care homes from the approved providers of residential care to Centrelink and the Department of Veterans’ Affairs is a great move. You need to have all the available time and to have all hands on deck to be able to offer quality care to our elderly people. Removing the cumbersome administrative burden of bureaucratic paperwork to some other source will create a fairer and more equitable playing field in the way these
assets are assessed, and I think that is an excellent idea.

There is more to be achieved in aged care, but this government has delivered a huge increase in relevant care. I think the operative word here is ‘relevant’ care. That is what it is looking for: to establish a need. It is not just about plonking some person, some mother or father, into a facility and forgetting that they are there. It is about providing relevant care. That is what this government has been so great at doing. Far from failing ageing Australians, as the member for Shortland asserted, this government has embraced quality, relevant aged care and has increased the availability of beds. This has been a significantly difficult task, considering that the previous Labor government left aged care with a fairly significant deficit of around 10,000 beds. I think that the member for Shortland really needs to look at the relevance of aged care and the needs that aged people have.

Staff are an essential part of quality aged care, and additional remuneration is critical. Aged care nursing and caring is a lifestyle choice. It is not a job; it is a total commitment for the many nurses in aged care facilities. The love and devotion that is required to deliver good quality outcomes in good quality aged care cannot be bought. There needs to be more money paid to those people who have chosen to offer quality care and enormous support. (Time expired)

Mr WINDSOR (New England) (11.39 a.m.)—I am privileged to follow the member for Riverina in this debate on the Aged Care Amendment (Transition Care and Assets Testing) Bill 2005, because I know that she has a very compassionate approach to the aged in her electorate and to the issue in general, and I think that was reflected in her speech. I know that the member for Riverina was born in Guyra. The Guyra community has in recent days announced a tender for a multipurpose service, which is a combination of aged care and health care. The aged care component is funded at a federal level and the health care component is funded at a state level. I think it epitomises the progress that has been made on this issue. Both the Commonwealth government and the state government are due congratulations. I think this is a good example of where both governments have worked together for a better outcome for a smaller community. The Guyra community will have something that it did not think it would have in the future: an aged care facility combined with a health care facility, with some administrative and operational synergies of the two coordinated arms. This model has to be looked at, particularly for other services within country communities.

I support this legislation, and particularly the transitional care arrangements and the asset-testing arrangements with Centrelink. I think that is an arrangement that embraces commonsense more than anything else, because a lot of aged people have a relationship and deal with Centrelink in connection with their assets and affairs. This will enable that ongoing connection and will not introduce a fear complex in some older people. In a lot of cases it will make it much easier for accommodation bonds to be assessed by Centrelink and it will expedite the process of entering residential aged care.

I think all people in this chamber will be supporting this legislation, but I take this opportunity to make a few comments on aged care generally. I am pleased to see the Minister for Ageing is here. I congratulate her and the former minister because I think there have been some significant moves forward in the provision of aged care. That is not to suggest—and I am sure the minister would not suggest—that all the work has been done and everything is rosy for every
individual in Australia; obviously not. But I do not think anybody can genuinely stand up in this chamber and say that the aged care debate has slipped. There is no doubt that there have been improvements. There need to be greater improvements built over time, but there are more care packages out there now. As the member for Riverina highlighted, there are facilities being developed as we speak. The Guyra initiative is one of the initiatives currently taking place.

A few issues that I will raise have come out of the Hogan review and other reviews. I highlight that an inquiry into aged care is taking place at the moment. Submissions have been put to the Senate Community Affairs References Committee inquiry into aged care. There was something like 214 submissions. That highlights the significance of this issue to a lot of groups—they are not all aged care groups. There are mental health groups and a whole range of groups and individuals who have made submissions. I think we as members should keep a very close eye on this inquiry, because it could be very important. One issue that has been raised in my electorate, and I am sure in other electorates, about which constituents from my electorate have put in a submission to this inquiry, is accommodation for young people with disabilities. It is a very real issue where the system, even though it is attempting to provide, is not providing the ancillary requirements of young people—requirements specific to their being young and their having additional disabilities—in aged care facilities.

I am pleased to say that there is a group within my electorate of New England that, rather than whingeing about this problem and berating the government about it, is sitting down and trying to develop a model which, hopefully, the government may consider as part of future arrangements where, in a cost-effective sense, younger people who need constant care can be accommodated but not accommodated in aged care facilities as if they were older people. I am sure all of us would like to see some progress being made on that. Obviously, it has to be done within the costing arrangements that the department and others can afford at the time. I bring that particular issue to the chamber because it is something that really does need to be wrestled with and brought to a conclusion. I am very pleased that constituents within my electorate have taken the time to put a submission to that inquiry.

Another issue that has become fairly well known—and the member for Riverina hinted at it in her address—is the people who work within aged care facilities. There has been a lot of talk in recent years about the viability of aged care nursing homes and residential care homes—whether a lot of these organisations will stay viable due to their size and the number of beds. A significant issue coming to the fore and a real pressure now being applied within economic parameters is to do with staffing. There are very real pressures on staff. In my view, a lot of the staff are not paid adequately for the work that they do, and we have to look very seriously at that in the future. If we want to attract people with the technical skills, the know-how and that caring, compassionate attitude that we are relying on in aged care facilities—and hospital facilities for that matter—at some stage we cross the line where remuneration does become a determining factor as to their career path. I am sure the minister is aware of that particular issue and appreciates the work that staff in residential care facilities put in.

Another issue that I would like to raise concerns the multipurpose service model. I think there has been very real progress made on this across Australia. The electorate of New England has been a major recipient of that progress, and I might spend a brief moment talking about that if I can. I remember
raising this issue when I first came into this parliament. I know there were others prior to and since my election who also raised the issue of aged care and health care facilities, particularly in small to medium sized communities, where the viability of funding was actually sending a message to those smaller communities that if you were small you would be disadvantaged as you would not be of a sufficient size to be able to house your aged care people in the community in which they lived. Obviously, from a regional development perspective, that was sending messages much earlier to people in country communities than when they were older. In fact, those people were making decisions earlier in life to relocate to larger areas where there would be adequate health and aged care facilities so that they could live out their lives with some degree of care around them. I am pleased to say that the multipurpose service model—dreadful name that it is, and I wish someone would change it—

Ms Julie Bishop—Come up with another name!

Mr WINDSOR—In fact, the name was one of the things that concerned people some years ago. I am pleased to say the multipurpose service model was developed between the Commonwealth and the states under the chairmanship of a committee headed by a former member for New England, Ian Sinclair. Ian Sinclair and, at that stage, the Labor Minister for Health, Craig Knowles, worked very well to deal with aged care and health facilities in smaller communities. Rather than do as the bureaucrats had been recommending for some years that these smaller communities should be rationalised out of existence—and one of the ways of achieving that goal is to put the facilities somewhere else so that some of the people within those communities make decisions and vote with their feet and leave their communities earlier and, in doing so, the communities lose a lot of valuable infrastructure—the multipurpose service model has given a significant benefit to those communities and in fact reversed the process.

I give the example of Emmaville. Emmaville, which is located north-west of Glen Innes and west of Tenterfield, is a small old mining community. Prior to becoming the federal member, I was in an adjoining state seat covering that area. There were a number of women within that community, which had a very old weatherboard hospital facility in decline that needed replacing for obvious reasons, who were afraid that it would never be replaced, that their community would be rationalised into another community and that the capacity to attract a doctor to that town would be damaged. It is a fairly common story. A number of the women and others in the community decided to stand up on this issue at the time when the Sinclair committee was holding inquiries into what could be done for these smaller communities, so Emmaville was one of the first to gain an MPS.

I hold periodical meetings throughout the year with my communities. I have 70 communities within the electorate. I happened to be having one at Emmaville on a particular day when about eight people turned up, including a lady called Ellie Seagrave, one of the initiators of the MPS. The MPS had then been open about 12 months. She is a woman whom I am sure most of us would obey, and she said to me, ‘We need more beds.’ I said, ‘Ellie, it hasn’t been open all that long. Is it full?’ She said, ‘Yes, it is full and we want you to go and get some more beds.’ So I will just tell the minister that now if I may. If she could deliver some more beds to Emmaville for Ellie, it would be most appreciated.

Ellie then said one of the most amazing things to me. It has really stuck with me, and I think these sorts of comments make political life very worth while. I asked, ‘Why do
you need more beds, Ellie?’, and she said, ‘What’s happening is that we’re getting people who left Emmaville years ago wanting to come back.’ There is a very serious message in that. People were leaving our small communities—not because they wanted to but in a sense because they had to—because they were making judgments on what would be available in terms of health and aged care as they got older. Now we are getting—and not only in Emmaville but in some of the other communities where people grew up where MPSs have been established—people who went to the coast wanting to return to where they came from.

That sends a very important message. Aged care is not just about caring for the elderly. It is also about caring for assets in our community: the assets of the elderly, the experience of those who have lived in those communities over those years, and keeping that capital and all the extended family benefits that accrue in those communities. We spend hours in this place talking about the breakdown of the family and how we are going to overcome this, the welfare issues, the signals we are trying to send in terms of budgetary and other processes, Aboriginal issues—all of those issues—and a lot of it has been drawn to a head in the disintegration of the family. There are a number of areas that can help to overcome that—and I am not saying that everybody should stay where they were born—and health and aged care is one of them. Telecommunications is another. Telecommunications can remove the disadvantage of distance and remoteness from being a rural Australian. You can do business anywhere if you have equity of access to those particular facilities. The relationship that telecommunications has to modern medicine and aged care and health is another initiative that we really do need to look at.

The MPSs in my electorate have been or are being established at Emmaville, Barraba, Bingara, Tingha and Walcha. They are going to be of significant advantage to people there. I know there are some people within the commercial aged care sector that do have some difficulties with the formula of aged care in MPSs, and I am sure the minister has had those discussions at different times. In some ways, they are another way to achieve aged care beds which operate outside the formula of the number of people per thousand over 70, which is the existing formula. But I think they go some way to recognising the needs within those smaller communities and the acceptance of the fact that a lot of those communities have not got the numbers to be viable under the current arrangements. An MPS model does give us a very good opportunity to provide not only aged care but health services within those communities.

In conclusion, I would like to congratulate the aged care professionals in the electorate of New England. I would like to name two people—and I am sure the minister has come across them—Mr Paul Cook and Mr Michael Barry. They are well worth talking to in relation to country communities, the provision of aged care and the potential to develop models that can embrace, within obvious cost constraints, the provision of services to country communities in the future. They have been very much involved and are working with other aged care facilities within the region to try to achieve better outcomes in the provision of aged care.

The final issue I raise—and it is obviously not directly related to this legislation—is one that has been raised a number of times. It is very much in the press at the moment and it relates to the health of all of us, but particularly our aged. It is the dental care issue. I would ask all those within this chamber to try to look past some of the political disagreements that have occurred in the past as
to who pays for dental care. The Commonwealth government is responsible for Medicare. I know the Minister for Health and Ageing moved slightly in terms of dental care becoming an issue of Commonwealth significance during the election campaign, when severe health threats were being posed. Given the publicity of the last few days and the obvious need that is there, I think it is time that the Commonwealth government started working more closely with the states—as it has done with the multipurpose service model—to establish a much better formula for the delivery of dental health care. Obviously, if you cannot eat properly, whether you are young or old—but particularly if you are old—it is going to have a significant cost impact on the provision of health care to you as an individual. We cannot divide the portfolio cake on these issues. If we are serious about making savings in health care, the provision of dental care within adequate time periods is something that we really do need to consider at a Commonwealth level.

Ms JULIE BISHOP (Curtin—Minister for Ageing) (11.58 a.m.)—in reply—The Aged Care Amendment (Transition Care and Assets Testing) Bill 2005 will make two amendments to the Aged Care Act 1997. The effect of these amendments will be of benefit to older Australians, particularly those living in residential aged care or considering entering residential aged care. The legislation supports, first, the implementation of our Transition Care Program and, second, the transfer of assets testing to Centrelink and the Department of Veterans’ Affairs.

As part of the $2.2 billion Investing in Australia’s Aged Care: More Places, Better Care package released in the 2004-05 federal budget, the coalition government announced the establishment of a national Transition Care Program. This program, comprising 2,000 transition care places, will assist older people who, after a hospital stay, require more time and support in a non-hospital environment to complete their restorative process, optimise their functional capacity and consider their longer term care arrangements. The Transition Care Program will ease pressures on health services for older Australians by providing greater access to a full range of aged care services in hospital, residential and community care. Through this program the Australian government is ensuring that older Australians leaving hospital receive additional rehabilitation support by building on existing services.

During this debate the opposition spokeswoman for health repeated the unsubstantiated and completely unsustainable proposition that the Australian government is underfunding aged care and that that is placing an undue burden on the public hospital system. The government’s massive investment in aged care ought to be acknowledged, given that between 1996 and 2008 it will have invested $67 billion in aged care, that between 1996 and 2004 it has more than doubled funding from $3 billion when Labor was in office to $6.7 billion today—that is about a 125 per cent increase; and that the population cohort over the age of 70 has increased by just over 20 per cent during that period. It is timely, given Labor’s years of neglect; it is appropriate, given that we have an ageing population; and it is necessary to ensure a sustainable aged care sector to meet expected demands.

The opposition spokeswoman also trotted out the old line that older Australians who have no need for hospital care are increasingly occupying hospital beds because there are no residential care places available for them. This classic blame shifting for public hospital waiting lists, which has now been turned into an art form by state and territory Labor governments, is just not true. A study published in the Medical Journal of Australia...
lia contradicts the line peddled by Labor. As the opposition spokeswoman ought to know—I am surprised she is seemingly ignorant of this study—Professor Len Gray, Stephen Duckett and others, in a study entitled *Trends in the use of hospital beds by older people in Australia: 1993–2002*, published in November 2004, found that, although the age population increased by 18 per cent compared to general population growth of 10 per cent during that period, the proportion of hospital beds occupied by older people remained stable over that 10-year period. The conclusion of the study states:

Important trends in use of inpatient services were identified in this study. These trends are contrary to common perception.

We know who is peddling the perception—Ageing of the Australian population was not associated with an increase in the proportion of hospital beds used by older patients.

When you consider the massive increase in places in community care and residential care made available by this government—27,900 new places over the next three years at a time when state and territory Labor governments are closing acute care hospital beds—the lie is exposed. Data published by the Australian Institute of Health and Welfare between 1997 and 2003 shows that state and territory governments have been cutting acute hospital bed numbers by 3,570—that is, 6.7 per cent.

Since 1996 the Australian government has overseen the fastest rate of growth of aged care places ever achieved in Australia. A total of 68,600 places, including 13,030 new aged care places announced through the 2004 aged care approvals round, have been released since 1996. An additional 14,845 new aged care places will be allocated over the following two years. I note that the member for New England is still in the chamber. I am pleased to see him taking part in this debate, and I know that he will be pleased to know that almost 40 per cent of the 5,889 residential aged care places allocated in the 2003 aged care approval round were allocated to regional, rural and remote Australia.

The proportion of older people in hospital has remained stable. State and territory governments have been cutting hospital bed numbers and the Australian government has been increasing significantly the number of aged care places. Since 1996 there has been a 31.5 per cent increase in total operational aged care places compared with the 20 or 23 per cent increase in population over the age of 70 during the same period. Approved providers advise us that more than 70 per cent of delays in making places operational are due to issues concerning land approvals and availability. These are state and local government areas of responsibility.

Last year the Australian government increased the aged care provision ratio from the existing level of 100 operational places to 108 operational places for every 1,000 people in the population aged 70 or over to reflect ageing population needs. The government committed some time ago to 200,000 operational aged care places by June 2006, and we are on track to meet that commitment.

There was much hand wringing by the member for Shortland about aged care funding, but not a hint of embarrassment over Labor’s failure to develop any cohesive aged care policy over the past nine years or a hint of acknowledgment that in her own electorate of Shortland funding for aged care has increased by 89 per cent since Labor left office. Under this government, the 20 residential aged care facilities in the electorate of the member for Shortland have received almost $184 million in recurrent funding, in-
cluding $26.8 million in annual recurrent funding for 2003-04 and an expected $29 million in recurrent funding for 2004-05. Aged care homes in the electorate of the member for Shortland also received a one-off capital payment of nearly $3 million that was paid before 30 June last year. There has been an increase in places in her electorate—over 15 per growth. We have allocated 40 community aged care packages in the electorate of Shortland. When Labor left office there was not one community aged care package available for the good people of Shortland.

We also announced the new national Transition Care Program to help older people return home after a hospital stay. The additional 2,000 places will help older Australians have time after their hospital stay to improve their functioning and independence and consider options for care in their home or an aged care facility. With an estimated average period of care of eight weeks this means that, when fully established, the program will assist up to 13,000 older Australians each year. Through this legislation we have ensured that, if any of these older Australians are living in a residential care service before they access the Transition Care Program, they will have the peace of mind of knowing that they will be able to return to their aged care home after receiving the transition care. We have done this by creating a new category of leave from residential care for the purpose of receiving flexible care. The Australian government is also working through the Pathways Home Program and projects under the aged care innovation pool to improve transitions between the hospital sector and the aged care sector. These programs have informed the development of the Transition Care Program.

It was somewhat disturbing to hear the member for Lalor say that hospitals had to pick up the load for the lack of aged care places. I understand why she is criticising the government’s reform agenda: she has to justify her ill-fated, ill-conceived, underfunded and undeliverable Medicare Gold election initiative. I do not know whether the blame should be laid at her door, but, fairly or unfairly, it is. It was not only derided by older Australians, who saw through the cheap grab for votes, but no right-thinking members of the community believe that it is appropriate to allocate hospital places on the basis of age and not health care needs—an extraordinary proposition and rightly derided by members of her own party and described by the incoming ALP president as a ‘turkey’ of a policy. Ouch.

Dr Stone—And the public voted it down.

Ms JULIE BISHOP—And the public voted it down. Thank you, Parliamentary Secretary. Then, in the specific policy area of aged care, Labor’s true colours were exposed during the last election campaign. At the last minute, almost as an afterthought, they made a couple of promises that did not provide a single dollar for extra aged care places in the community or at home.

In the 2004-05 federal budget the coalition government announced another initiative: the transfer of assets testing for residents and potential residents of aged care facilities from approved providers to Centrelink and the Department of Veterans’ Affairs. By removing the necessity for approved providers to undertake assets assessments, approved providers will be relieved of the administrative burden of conducting assessments and will be able to spend more time caring for residents. In addition, approved providers will have greater certainty as to their income, due to the experience of Centrelink and the Department of Veterans’ Affairs in conducting accurate and consistent assessments.

This initiative is one of a number included in the government’s Investing in Australia’s
Aged Care: More Places, Better Care package aimed at streamlining the administration of aged care to free up staff to focus on delivering high-quality care and providing greater income security to providers. Already, for example, we have removed the requirement for providers to obtain approval from aged care assessment teams before existing residents can move from low- to high-level within the same aged care home. From 2006 the new funding model currently being developed will streamline the resident classification scale from the current eight categories down to three. This will provide greater income security to providers and, importantly again, free up nurses and staff to give an even greater focus to the care of residents.

We are also working across a number of measures to ensure that paperwork and processes serve a clear purpose or benefit for approved providers, staff or people living in residential aged care. For example, under the new conditional adjustment payment, approved providers will be required to produce audited financial reports—a process that will help providers improve management and make the best use of resources.

I thank all members who took part in this debate. Particularly useful were the thoughtful contributions of the member for Cook and the member for Riverina and the issues raised by the member for New England. The legislation delivers two more measures in the Investing in Australia’s Aged Care: More Places, Better Care package. This demonstrates the coalition government’s strong commitment to ensuring a robust and viable aged care sector into the future providing high-quality and affordable care to older Australians. This is a reforming government and I am committed to our ongoing reform agenda in the area of aged care.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Ms JULIE BISHOP (Curtin—Minister for Ageing) (12.13 p.m.)—by leave—I move:

That the bill be now read a third time.

Question agreed to.

Bill read a third time.

TAX LAWS AMENDMENT (2005 MEASURES No. 1) BILL 2005

Second Reading

Debate resumed from 10 February, on motion by Mr Brough:

That the bill be now read a second time.

Mr FITZGIBBON (Hunter) (12.13 p.m.)—Once again the opposition are being forced—not asked but forced—to debate and give passage through this place to a very complex tax bill on very short notice. The Tax Laws Amendment (2005 Measures No. 1) Bill 2005 was only introduced into this House last Thursday morning and here we are once again being expected to not only debate it but support it. The government is becoming serial in this offence. The opposition can only conclude one of two things: either this serial offending has its roots in complete arrogance and hubris or, indeed, it has its roots in total incompetence. I am not sure which it is but I suspect it is a bit of both.

We have been vindicated in this place in raising our concerns about these rushed measures. The House will be reminded that late last year the Assistant Treasurer introduced in this place a bill dealing with the application of the GST on unreviewable medium- to long-term contracts, expecting us to give passage to that bill in both houses of this parliament by the very next day. A lengthy and complex bill, which the government had had five years to prepare—it has
been five years since the introduction of the GST—it was rushed into this place in one day with the expectation that it would be passed by both houses of the parliament the next day. We were vindicated on that occasion in not allowing ourselves to be bullied in that way. Having taken the period over the Christmas break to further consult industry, we were able to determine that there were flaws in that bill, particularly in relation to the arbitration period for the negotiation of those contracts. We were able to determine that there needed to be a time limit on the arbitration period and we were further vindicated when the government accepted our amendments in the Senate on those provisions. So we are right to be concerned about the way the government keeps imposing upon us and rushing in these complex tax bills. That sort of rushed treatment of our taxation laws does not provide for good taxation law in this country, and we will continue to hold the government to account in these terms.

The bill before the House today, the Tax Laws Amendment (2005 Measures No. 1) Bill 2005, contains four measures. It extends some exemptions from the provisions of the fringe benefits tax. It makes some changes to the capital allowances regimes. It introduces changes to the application of the GST for some inbound tourists. Finally, it introduces the government’s so-called ‘mature age offset’ or, in other words, rebate. The opposition will be supporting each of these measures, in some cases, I should say, reluctantly, and in all cases without any great enthusiasm.

We think the FBT changes are highly concessional and are potentially open to abuse. We are concerned about the pattern developing with respect to capital allowances. The year before last we had the government come to us seeking to depart from its commitment to effective life and to give a further time frame to certain gas infrastructure in the oil and gas industry. Here it is this year again seeking to depart from effective life with respect to some transport issues. We will all recall that a commitment to the reform of our capital allowance regimes was an important part of the Ralph reforms, part of the trade-off between a lower corporate tax rate and the very generous capital allowance regimes that were in place prior to those changes—and here we are with the government slowly but surely creeping that back in. So we have got the lower corporate tax rate, which we all invite, but here we have got a form of industry welfare potentially as the government seeks to claw back that commitment. We are also concerned that the GST amendments, while they are well intentioned and we support them, are potentially poorly drafted. We will be seeking to further investigate those matters by way of a Senate committee.

On the fourth measure in the bill, frankly, we do not have any confidence at all that it will do anything to address all of those very important issues raised within the Intergenerational report. It will do nothing increase work force participation amongst more mature Australians. Indeed, I suspect that not one over 55-year-old person will be basing his or her decision to stay or not stay in the work force on this $500 annual rebate. Here is a $500 gift from the government, costing around a billion dollars over four years, and I suspect that not one decision will be based in the end on that $500 amount.

On that basis I move the amendment circulated in my name and seconded by the member for Rankin:

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) failing to embrace real and meaningful tax reform; and
failing to develop effective tax and related policies to address the problem of Australia’s ageing population”.

What we have before us is another tax amendment which seeks to do some important things, but what we are still lacking in this place is any real commitment to real tax reform. No wonder that the government’s back bench is becoming so frustrated and so agitated. No wonder the business community is becoming so frustrated and so agitated. No wonder so many in our community are still concerned about the high marginal tax rates they face and, indeed, the high effective marginal tax rates that they face.

Throughout the eighties and the nineties Labor governments tackled front-on tax reform in this country. There were dramatic reductions in marginal tax rates—not just compensation for consumption taxes but real reductions in marginal tax rates, returning the proceeds of bracket creep. There was the introduction of capital gains tax. There was the extension of superannuation for all Australians. Not only did this benefit those Australians contributing but it also had important positive implications for Australian savings generally and, of course, the current account. There was dividend imputation. These are just some examples of the tough reforms Labor took on in the eighties and the nineties, the very measures that laid the platform for the 14 years of consecutive economic growth we have enjoyed over the last period.

This government wants to rest on its laurels. It likes to claim to be a tax reformer because it introduced a GST. It is simply not enough. The government gets no credit from me, personally, for introducing something which I think was an inevitability in this country, given the rise and the strength of the services sector which we have in Australia. It certainly does not deserve credit, given the hash that it made of its design, in particular the unnecessary complexity of the GST and the mountains of additional compliance and paperwork burden it has placed not only on the business community generally but, in particular, on the small business community.

The GST is now growing by more than nine per cent annually, reminding us, even though it is an orphan child to the government, that this is now officially the highest taxing government in Australia’s history. Regardless of the merits or otherwise of the GST, it represents no excuse to sit on your hands and to ignore the other pressing taxation reform needs of this country. It certainly is a reminder of the government’s failure to fully embrace the reforms put forward in the Ralph report on reform of taxation in this country. What is happening with capital allowances today is a perfect example of that, but so too is the government’s failure to take on trusts. The opposition signed up to Ralph and agreed with the reforms but only on the basis that all the reforms would be adopted, including those that sought to address discretionary trusts and the tax avoidance which relates to them. But they were all dropped, so it is no wonder that the so-called ‘ginger group’ over there is agitating around the place. It is no wonder that it has become frustrated and it is no wonder that the government is finding more and more on a daily basis that it is getting pressure from its back bench to do something about those things it has been unprepared to do.

I do note that the ginger group is not so much about tax reform but about tax cuts. That is not what real reform is all about. Real reform is promoting the effectiveness and efficiency of our taxation system, increasing our competitiveness in an increasingly global economy, and basically making sure that our tax system is fair and makes us competitive in the world. I have not seen too much of that from the so-called ‘ginger group’. Their real motive is to ingratiate themselves with certain sections of the community, in particular...
the business community, and of course this partly reflects the nature of the constituencies many of them represent.

Tax reform is also about maintaining appropriate fiscal discipline. That is something we all know that the government failed to do in the lead-up to the 2004 federal election—a reckless spending spree we now know has implications for interest rates, as has been effectively conceded by the Reserve Bank of Australia in its recent statement on monetary policy. Some members of this House will be taking the opportunity this coming Friday to flesh out some of those issues when we meet with the Reserve Bank at a hearing in Sydney. It was a reckless spending spree which also has opportunity costs. I have been around this place long enough to know that policies developed, produced and announced during the heat of an election campaign are likely not to be very good public policy. I think there is at least one example of that before us today, that being the mature age tax offset. But every dollar spent on poor policy is one dollar less available to spend on good public policy. It is one dollar less for the budget surplus, with all the implications that has for the broader economy, including interest rates and our current account deficit. Further, every dollar spent is one less available for investing in skills, one of the very things that both the Reserve Bank and the OECD have nominated as real warnings—red flags—to the Australian economy.

Every dollar spent on bad public policy is one dollar less to spend on addressing our infrastructure bottlenecks in this country. This is another matter which both the OECD and the RBA have identified as a real problem, not just emerging in our economy but placing capacity constraints on our economy which will inevitably lead, as the RBA governor has foreshadowed, to higher interest rates in this country—something the Prime Minister unequivocally said would not be the case under his administration. That was the key plank in the election campaign as created by the Prime Minister. We now know without any doubt whatsoever that these constraints, both in skills shortages and in infrastructure bottlenecks, will result in upward pressure on interest rates and, indeed, will result in increases in interest rates in this country over the next little while.

These are important issues. And, of course, every dollar spent is a dollar not available to real tax reform—to getting rid of those high effective marginal tax rates, to making our taxation system more globally competitive and to ensuring that our tax system is available as a tool for redistributing wealth in this country—an important matter that this government has conveniently forgotten about. It is important in the context of the mature age tax offset that we are discussing today and in the context of the small business initiative that we saw last week, which was just another tax offset. I remind the House that it is important to remember that it is not the revenue side of the budget that does most to reduce the gap between the have and have-nots in this country. Indeed, it is the spending side of the budget that makes the greatest contribution towards promoting equality in this country. On the spending side, it is not the cash benefits that make the greatest difference. It is not the constant, well-targeted, politically driven handouts that we see from this government, not only throughout the election campaign but even more recently—matters like the tax offset and the small business tax offset for very small firms. And it is not family tax benefits A and B either that made the greatest contribution towards equality. It is the non-cash benefits that come from government.

What are the non-cash benefits? The non-cash benefits are, of course, government investment in important infrastructure. What
are these important vehicles of infrastructure? They are our schools, our hospitals, our child-care centres, they are investment in education and training—the very things that should have overcome some of the capacity constraints we are facing at the moment, the very things the government has failed to invest in over the course of the last nine years and the very things the broader Australian public can look towards for an explanation of why their mortgage interest rates are about to go higher under this government. These are the matters that are all forgotten.

I just had a meeting with representatives of the Commonwealth Bank, and there I was reminded of an initiative taken by them not all that long ago and that is still ongoing which seeks to increase the level of financial literacy in this country. They are doing some very good work in modelling the positive impact that can have on GDP. We can never underestimate the return on our investment in skills and education and the benefits of that to this country, and we have to see a little bit more of it around this place.

I want to go to the provisions of the bill. Schedule 1 amends the Fringe Benefits Tax Assessment Act to (1) provide a fringe benefits tax exemption to cover the engagement of a relocation consultant to assist in the relocation of an employee; (2) broaden the FBT exemption for eligible work related items that currently include laptops and mobiles et cetera to include personal digital assistants and portable printers designed for use with portable computers; and (3) broaden the FBT extension for remote area housing to cover employers in industries where employer provided housing is not customary. The opposition acknowledge that, in the past, these concessions for remote area housing have been important for regional development, but I am concerned that these extensions to non-customary industries may give the opportunity for exploitation of these provisions. The opposition are indicating that we will allow these measures to pass but we will be keeping a watching brief on them.

Schedule 2 of the bill is one I referred to in my earlier comments. The Commissioner of Taxation progressively updates the effective life rules of assets for depreciation purposes. A significant review that occurred last year came into effect on 1 January and was announced in a recent determination by the commissioner. This significantly increased the effective life of buses, light commercial vehicles, trucks and trailers, on average to 15 years. This means that, since an asset is allowed to be depreciated over a longer period, a smaller annual deduction will apply. This is neutral tax treatment which enhances economic efficiency and is good practice.

But in an election context the government moved to override this determination through legislation. As I said earlier, this was not for the first time; it did so a year or two ago for gas pipelines. On that occasion the government argued, rightly or wrongly—and I should say that Labor supported the change at that time—that the departure from the effective life regime was a means to increasing investment in the gas pipeline network in this country. That was a good cause the opposition was prepared to acknowledge. On this occasion the government is arguing that this is an environmental and safety measure, an attempt to get older heavy vehicles off the road. Again, arguably, the government has a strong case, and the opposition will be supporting the measure on those economic, environmental and safety grounds. But, again, we are nervous about what appears to be the government’s constant determination to depart from its commitment to the effective life regime, something which I remind the House was an integral part of the Ralph reforms and very much part of the trade-off between a
One wonders what comes next. Is it the mining industry next? Is it a return to the attractive and generous capital allowance regimes the industry enjoyed in the past? We shall wait and see. We will deal with each of those measures on their merits as they arise.

The other point I would like to make about this provision is to pose a question as to whether this change should have a sunset clause. If it has the effect it is intended to have, then one would like to think that the necessity to address this issue—that is, older vehicles on the road—may decline over time. That is another matter on which we shall keep a watching brief.

Labor are concerned this bill was not introduced earlier as it is retrospective. As I said earlier, the government is foisting these bills on us at short notice.

Schedule 3 seeks to close a loophole that allowed an option to purchase certain services, most commonly bed nights—accommodation in hotels—to be available to offshore wholesalers without the imposition of the GST. This effectively means that a package of tourism services can be constructed GST free for foreign tourists. The main group of nonresidents who are able to make supplies in these circumstances are nonresident tour operators. Typically, these operators acquire Australian package holidays from resident tour wholesalers and then on-supply them to tourists. If these supplies constitute supplies of rights or options to acquire things to be consumed in Australia, they will not be connected with Australia as required under the GST act. This is contrary to the policy intent that GST should be paid on supplies of Australian package holidays to both Australian residents and nonresidents.

Again, we will be seeking to send the provisions of this amendment to a short Senate inquiry to ensure that there are no unintended consequences. Most GST regimes in other countries tax the services of an enterprise that operates in the host country. Australian tax law operates rather strangely in imposing a different test: the services need to have a sufficient connection to Australia. The need to legislate this issue is one of the outcomes of this definitional approach. Notwithstanding the numerous uncertainties that this definitional approach entails, Labor supports the broad measures of the government to close this loophole. We do not believe that foreign tour operators should be able to claim input tax credits, as some appear to be doing, while not paying the GST. However, the government may have been somewhat overzealous in its approach and this is why we are seeking to refer the bill to a Senate committee.

Labor have consulted with experts on this schedule, even though time has been short. We have been advised that the approach in the bill is highly deficient in that it may mean that foreign contracts between countries and clients with nothing to do with Australia are caught by the GST. For example, some contracts that relate to services that have at best a very weak connection to Australia may have to pay GST as well as UK VAT, and neither of these parties may be enterprises that operate in Australia. We have been advised that this measure may not be welcomed by other nations, as it seems to impose tax outside our national jurisdiction. Indeed, there are concerns within the ATO and they should be addressed by the government. There is a concern that the ATO may have to vet all these foreign contracts, which would effectively make the law totally unenforceable. Unenforceable laws are, of course, bad jurisprudence.
In terms of the local industry, there is a concern that the bill will not simply tax the supplies of the services but will also tax the overseas wholesalers’ margins. This may drive up the price of the service. In tax terms, this has the effect of disadvantaging Australian inbound tourism relative to other markets.

While recognising the constraints on the Senate’s resources at this stage, this issue is too complex and important to deal with outside the context of a Senate committee. Again, Labor will appropriately be referring it to a Senate committee.

Schedule 4 deals with the introduction of the mature aged worker tax offset. I think I have said enough already, and I know that other members on this side of the House will be taking the opportunity to speak more broadly about the inadequacy of this measure, but I want to mention a couple of things in more detail. Eligibility for the offset will, of course, be based on age and net income from working—that is, income that is mainly a reward for the taxpayer’s personal effort or skills, or income from a business that the taxpayer conducts, less any relevant deductions. Certain amounts of income are specifically excluded from the definition of ‘net income from working’. These amounts relate to eligible termination payments and payments in lieu of long service leave and the like.

There are a number of important points to be made in relation to schedule 4. Labor does not seek to oppose those measures in which the government can legitimately claim to have an election mandate. The basic policy intent of the mature aged offset is an election commitment. However, it is clear that the government have introduced a number of new elements to the proposal that were not announced in the election context. This can be clearly seen in the increased costings for the overall measure. The costings exceed the estimates by at least 25 per cent. When the minister closes this debate, we will be providing him an opportunity to explain why that is the case. The government want to do something about work force participation amongst people over 55, but it seems to me they do not know how many of them there are. I invite the minister to give some explanation on those concerns. Again, we will be asking a Senate committee to look at the integrity of the bill and the efficacy of the measures in schedule 4.

The government has extended the measure to include in the means testing measure not just gross income but also net income from work after tax is deducted. This a strange way to construct a means test; it is almost unprecedented in the income transfer system. To base a means test on net income after tax deductions adds to the complexity of the whole system; it is a basis that is inconsistent with measures adopted in the family payments system and other elements of the tax system. This is another example of how the government adds layers to the overall income transfer system in a haphazard way. The whole system looks like a house under constant renovation: there is no blueprint and no coherent architectural plan—just another dodgy extension. As these new layers are added to the whole structure, it begins to look increasingly unwieldy.

The government has also extended the measure to include partnership income—a further extension for which it has no mandate and to which it made no reference in the election campaign. Treasury has been consulted as to whether the measure included an estimate of the gains from labour market participation by mature Australians. Labor sought some indication of the dynamic gains of the measure. We have been told that Treasury has not calculated any such gains.
So we can but conclude that there are no such gains associated with this measure.

The basic rationale for the offset is to increase labour market participation and thus drive up economic growth. But, if Treasury cannot quantify any such dynamic gains, it appears that the measure is bereft of any real public policy justification, goal or objective and is simply another pre-election promise to one sector of the community. Again, I express a lack of confidence in these promises, which were made in the context of a heated election debate. In the absence of any evidence of these dynamic gains, Labor will be supporting the bill, but we will be asking a Senate committee to have a look at them and inquire of Treasury how they justify this measure in public policy terms. Again, Labor supports the four measures with qualification and without enthusiasm, and we will be having a closer look at them in the Senate.

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

Dr Emerson—I second the amendment and reserve my right to speak.

The DEPUTY SPEAKER—The original question was that this bill be now read a second time. To this the honourable member for Hunter 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 PROSSER (Forrest) (12.45 p.m.)—I rise in support of the Tax Laws Amendment (2005 Measures No. 1) Bill 2005 as introduced. The range of changes and improvements proposed to the tax system through this bill will help many Australians and assist small business. Following on from the government’s election policy statement announced in September 2004, this bill proposes to amend the Income Tax Assessment Act 1997 and introduce a mature age worker tax offset for workers aged 55 years and over.

This proposal aims to encourage and reward participation in the workforce by mature age Australians who choose to stay in the workforce. It is part of this government’s strategy to deal with the demographic challenge posed by Australia’s ageing population, through boosting economic growth, increasing productivity and improving labour force participation. This measure will allow a maximum annual tax offset of $500 to eligible workers based on age and net income from working. That is income that is mainly reward for the taxpayer’s personal effort or skills or income from a business that the taxpayer carries on—such as a sole trader or partnership.

The mature age worker tax offset will apply to assessments for income years commencing on or after 1 July 2004 and will cost $460 million in 2005-06, $490 million in 2006-07 and $490 million in 2007-08. The bill will provide the opportunity for taxpayers aged 55 years and over at the end of the income year, who have net income from working of less than $63,000—or $58,000 for the 2004-05 income year—to be entitled to the mature age worker tax offset up to a maximum of $500. The offset will phase in at five per cent from the first dollar of net income from working, so that the full $500 offset is achieved when net income from working reaches $10,000. In 2004-05, the offset will phase out at five per cent from $48,000, so that no offset will be available when net income from working exceeds $58,000. In 2005-06 and beyond, the offset will phase out at five per cent from $53,000, so that no offset will be available when net income from working exceeds $63,000.

Net income from working covers personal services income; income from a business that the taxpayer carries on; assessable farm
management withdrawal amounts; and the taxpayer’s reportable fringe benefits total for the year included in the taxpayer’s assessable income for the income year, less the sum of any expenses that the taxpayer can deduct for the income year. Excluded from the calculation of net income from working are social security payments, Veterans’ Affairs payments, superannuation pensions, eligible termination payments, annuities and passive income such as dividends et cetera. However, income received from a business carried on through another entity such as a company or trust would also be excluded from the calculation.

If a taxpayer has reportable fringe benefits, their reportable fringe benefits total will also be included when calculating their net income from working. This recognises that employees can receive some of their remuneration in the form of non-cash benefits. A taxpayer’s net income from working will also include any assessable income which they receive as a result of the repayment of a farm management deposit. For those taxpayers with net income from working below a threshold of $48,000 in 2004-05, and $53,000 in 2005-06 and later years, the amount of offset is calculated as five per cent of the taxpayer’s net income from working, up to a maximum of $500. This means that the offset phases in over net income from working from $1 to $10,000, so that the full $500 offset is achieved when net income from working equals $10,000.

In 2004-05, this full $500 offset will be available for taxpayers who have net income from working between $10,000 and $48,000. In 2005-06 and beyond, the full offset will be available for taxpayers who have net income from working of between $10,000 and $53,000. Only net income from working will affect a taxpayer’s entitlement to the offset; any other income which they receive will not be included when calculating their offset entitlement.

As announced in the 2004-05 budget, this bill proposes to amend the Fringe Benefits Tax Assessment Act 1986 to extend exemptions from the scope of the fringe benefits tax to provide an FBT exemption for costs associated with assistance from relocation consultants engaged to help in the relocation of an employee. Currently certain expenses associated with the relocation of an employee, such as the removal or storage of an employee’s household effects as a result of relocation of the employee’s employment, may be FBT exempt.

Exempt benefits may also arise on the sale or acquisition of a dwelling as a result of relocation; on the connection or reconnection of the telephone service, gas or electricity; and for certain benefits in respect of relocation transport. The costs of engaging a relocation consultant to assist with the relocation of employees are not included in these exemptions. It will also broaden the FBT exemption for eligible work related items to include personal digital assistants and portable printers designed for use with portable computers. These amendments will ensure that the taxation laws do not inhibit the uptake of new technology and that, when an employer provides an employee with a personal digital assistant or a portable printer in respect of the employee’s employment, the employer is eligible for a FBT exemption. And, through the removal of the ‘customary’ rule in paragraph 58C(2)(c) of the Fringe Benefits Tax Assessment Act 1986, the bill will broaden the FBT exemption so that employees in industries where employer provided remote housing is not customary have access to the remote area housing FBT exemption.

Generally the benefit is considered customary where it is normal or common for an
employee in that class of job description in
that industry to be provided with the same or
similar benefits. As a consequence, if all
other criteria of section 58ZC are met, the
employer will be eligible for an FBT exemp-
tion. This amendment will facilitate access to
the remote area housing FBT exemption by
employers in industries where employer pro-
vided remote area housing is not customary.

A further proposal in this bill follows on
from the Minister for Revenue and Assistant
Treasurer’s announcement in August 2004 to
This amendment will introduce an effective
life depreciation cap that will be the effective
life used to calculate the decline in value for
buses, light commercial vehicles, trucks and
truck trailers. This will enable taxpayers to
claim depreciation by reference to the
capped effective life, where that capped ef-
ective life is shorter than the effective life
determined by the Commissioner of Taxa-
tion. This measure will apply to an asset if its
start time is on or after 1 January 2005, and it
supports the transport industry in the national
interest by providing an incentive for in-
vestment in newer and safer trucks, buses
and trailers than would otherwise be the
case.

The effective life will be 7½ years for
buses, light commercial vehicles, minibuses
and trucks, and 10 years for trailers. A tax-
payer who chooses to use the commis-
sioner’s determined effective life must work
out whether a capped life applies to that as-
et. If there is a capped life and it is shorter
than the commissioner’s determined effec-
tive life, the effective life of the asset will be
the capped life. Where there is no capped life
or the capped life is greater than the commis-
sioner’s determined effective life, the tax-
payer will use the commissioner’s deter-
mmed effective life. If these statutory caps
were not introduced, taxpayers could be ex-
pected to pay an extra $3 million in the year
2004-05. $30 million in 2005-06, $95 mil-
lion in 2006-07 and $156 million in 2007-08.
This is because the statutory caps provide
significantly shorter effective lives than the
commissioner’s determination. The proposed
statutory effective life caps will provide a tax
benefit to affected taxpayers of $2 million in
2004-05, $20 million in 2005-06, $64 mil-
ion in 2006-07 and $104 million in 2007-08.

A final proposal under this bill is to amend
the A New Tax System (Goods and Services
Tax) Act 1999 to ensure that goods and ser-
ices tax applies to transactions involving
nonresidents who supply options or rights to
goods, services and other things which are
connected with Australia. A deficiency has
been identified in the GST act under which
certain rights or options provided offshore
are not subject to GST, even when they are
for goods, services and other things that will
be consumed in Australia. Where a resident
entity supplies a right or option to goods,
services or other things that are consumed in
Australia, the underlying supply will gener-
ally be subject to the GST. However, where
the same supply is made overseas by a non-
resident, no GST applies. This is because the
supply is not connected with Australia. This
outcome results in a competitive advantage
for certain non-resident entities, compared to
their Australian counterparts. It is also incon-
sistent with the broad policy intent of the
GST legislation, which is to tax private con-
sumption of most goods, services and other
things in Australia.

One consequence of the amendment will
be that the GST applies to rights and options
provided offshore, such as the non-
accommodation component of Australian
holiday packages. Fixing this ensures that
domestic operators offering the same goods
and services in Australia are not disadven-
taged compared with some foreign operators.
Under the amendment, a supply that is made
offshore will be ‘connected with Australia’ if
it is a supply of a right or option to acquire something, the supply of which would be connected with Australia. It is anticipated this measure will result in increased revenue of some $50 million for the year ending 2005, $140 million for the year ending 2006, $140 million for the year ending 2007 and $150 million for the year ending 2008, and it is not expected to impact significantly on compliance costs of Australian entities. The amendments ensure that the goods and services tax will apply where a non-resident enterprise supplies from overseas a right or option to goods, services or other things that are to be consumed in Australia. The amendment reflects the broad policy intent of the GST legislation to tax private consumption of most goods, services and other things in Australia. This measure will help ensure that there is competitive neutrality between similar supplies made by offshore and by Australian based businesses and will ensure that Australian based businesses are not disadvantaged. I have outlined the key features of the bill as introduced by the Minister for Revenue and Assistant Treasurer that will give effect to a number of this government’s pre-election commitments and I commend the bill to the House.

Dr EMERSON (Rankin) (12.58 p.m.)—I wish to focus my comments today on the mature age worker tax offset, which is one of the schedules to this Tax Laws Amendment (2005 Measures No. 1) Bill 2005, and from there to expand my observations to embrace the second reading amendment moved by the shadow Assistant Treasurer which condemns the government for failing to embrace real and meaningful tax reform and failing to develop effective tax and related policies to address the problem of Australia’s ageing population.

During the election campaign the government, as part of its $66 billion pre-election spending spree, decided to introduce a mature age worker tax offset. The sum total of the benefit offered to working Australians aged 55 and over is, at its maximum, a $500 tax credit. Yet the cost to the revenue of this measure is certainly in excess of a billion dollars and may in fact be as much as $1.44 billion, so this is a very expensive initiative. Commonsense would have us raise this question: just how many more working Australians over the age of 55 will stay in the work force if they receive $500 extra in a year? The answer is not many, which begs the question: why did the government really undertake this initiative on the eve of a federal election? The answer is that it wanted to maximise its electoral prospects, and perhaps it found that this particular group within the voting population was one where it needed to secure some extra votes.

I participated in hearings of the House of Representatives Standing Committee on Employment, Education and Workplace Relations and in the production of reports in respect of mature age workers. We on the Labor side are very committed to ensuring that mature age workers are able to stay in the work force and that those who do lose a job are assisted back into work. It is one of the challenging social and economic issues confronting this country. I have enormous sympathy for mature age workers and the discrimination that they often suffer, but that is different from saying that an initiative worth up to $1.44 billion and providing a maximum of $500 to a mature age worker to stay in the work force is good policy. We really need to examine and implement good policies for mature age workers, but I doubt that this falls into that category.

It is quite interesting that the government says that, in bringing in this legislation, it has responded to the challenge of the ageing of the Australian population and that its stated aim is to increase participation in the work force by those working Australians over the
age of 55. Indeed, after the release of the *Intergenerational report* in 2002, when belatedly the government had identified the economic challenges of an ageing population, it has concentrated much of its policy effort in the area of people who are aged over 55—and even over 65. In my view, those policies have not been cost effective, nor will they achieve their stated aim.

The Productivity Commission released a report last year entitled *Economic implications of an ageing population* that points out the following:

... even large increases in age specific participation rates have relatively modest impacts on the aggregate participation rate. Substantial increases in participation rates for older Australians alone do not make a large difference to overall participation rates.

The report continued:

Policies that elicit such increases cannot, by themselves, realistically be a panacea for the sluggish labour supply arising from ageing.

Of course the government had hoped that we would not notice that the Productivity Commission had delivered that verdict, but it has. Today gives me the opportunity to tell the Australian story over the next 50 years. It is a story of an ageing population and the economic consequences of that ageing in the face of evidence of faltering productivity growth. We all know that an ageing population means that there will be more older people who have retired for whom they and younger Australians will need to provide, most particularly for their health and aged care. An ageing population also means that there will be relatively fewer Australians in the category of working-age Australians—say, between the ages of 15 and 65. So there will be more people for whose care we must provide and relatively fewer people to generate the wealth in order to provide that care—including taxation revenue.

I do not often agree with the Treasurer, but he did make the observation—which is correct—that ‘demography is destiny’. What the Treasurer is saying is that the die is cast on the ageing of the population. It has been cast as a result of the baby boomer generation, which peaked around 1961 when, on average, women were having 3½ babies each. Now, in the early 2000s, that is down by half, to 1¾ babies each. But that large surge of babies who were born in the baby boomer era will be moving towards and into retirement over the next 40 years. So there is a very large cohort of people who will be moving into that category and at the same time, because fertility has declined so sharply, there are not the younger Australians coming in to replace them at the same rate. All of those decisions have already been made. All those realities have occurred, such that inevitably the population of Australia will age over the next 50 years. Indeed, by the early 2040s there will be a total of four million extra Australians over the age of 65, one million more Australians between 55 and 65, one million more Australians between 15 and 55, and 200,000 fewer children. That gives an indication of the dimension of the problem.

So who is going to pay for the ageing of the population, which is already set such that demography is indeed destiny? The Australian story can be told in terms of the three Ps. The first ‘P’ is population—the die is cast, the ageing of the population is inevitable, it is a reality; the second ‘P’ is participation; and the third ‘P’ is productivity. Participation, ostensibly, is what this mature age worker tax credit is about. It is seeking to maximise work force participation of those who are aged 55 and over. But, as the Productivity Commission points out, concentrating at that end of the age spectrum will yield some benefits but not many, because within 10 years or so those older Australians be-
between 55 and 65 will have moved into retirement. So the government, for reasons best known to itself, has been concentrating at the older end of the age spectrum in seeking to lift those participation rates.

Overall, increasing participation rates can make a contribution to combating the adverse economic impacts of the ageing of the population, but I would call on the government, in addition to focusing on those aged 55 and over, to have a look at the participation rates of younger and middle-aged Australians. The reality is that, overall, Australia’s work force participation rate compared with other OECD countries is relatively high. There is a bit of mythology about this suggesting that our participation rates internationally are low. They are, in fact, above the OECD average, but we can and must do more to address that second ‘P’—participation.

What can we do? There is some good news in all this. The good news has been generated by the young, well-educated women of our country, because the women who have left school and are coming into the work force now are very well educated compared with the women who came into the work force 20 to 30 years ago. That is exemplified by a graph which shows year 12 retention rates—that is, the proportion of Australian children who have gone on to year 12.

During the early eighties and through to the mid-1990s, there was a sharp increase in the proportion of our young people, particularly young girls, who went on to year 12. Sadly, since this government has taken office, that has plateaued, and there has been very little discernible improvement since then. But the good news is that those well-educated young girls, and lots more, have been entering the work force for 20 years—since the early eighties—and they still have another 20 years or more to go. As our education participation rates have lifted permanently—I hope—I hope we will have more and more of those highly educated young women coming into the work force, because when they are highly educated they are going to be much more disposed to be engaged in the work force. So the good news is that the young women of Australia are saving Australia; they are helping very effectively to address the economic challenge of the ageing of the population.

But can we do more? The answer is not only that we can do more but that we must do more. We must do more to encourage these women who are being asked to shoulder, on behalf of Australia, two huge responsibilities. One responsibility is to have more babies. On average, women are having 1½ babies nowadays, and we need to arrest the decline in fertility which has been quite dramatic over the period of the early sixties through to the early 2000s. If that fertility rate continues to decline, then the challenge of the ageing of the population will become even greater.

The Australian community needs women to have more babies but, at the same time, we are saying to women: ‘You need to work harder; you need to participate in the work force, because you bright women who are well educated need to do that for Australia as well.’ The truth is that sisters are doing it for themselves and for Australia, but we need to be able to help. And there are ways in which we can help women grapple with the challenge of balancing work and family life. One of those ways is through improved and more flexible child care. If we want women to have more babies and spend more time in the work force, we will need quality affordable child care, and any improvements in the flexibility of quality affordable child care have to be for the better. Given that the benefits, the spillovers, if you like—the externalities, as economists say—of women partici-
pating in the work force and having more babies are big for Australia, perhaps there is a case for government subsidisation of the wages of child-care workers so that child-care workers can provide services much more flexibly than conventional working hours, because women are engaged in work on terms and for hours that are nonconventional. So one of the measures that the parliament should be examining is whether we can improve our child-care system in this country.

Another problem is that of high effective marginal tax rates. The truth of the matter, according to Gillian Beer of NATSEM, is that, if we define a high effective marginal tax rate as being more than 60 per cent, then one-fifth of couples with children and more than half of sole parents face these high effective marginal tax rates. The way this works is that, when a woman has had children and re-enters the work force, whether she is a single mother or whether she is in a marriage or a partnership, she is confronted with the loss of family tax benefit plus the marginal tax rate that applies to that work. When you add those two together, for so many women the effective marginal tax rate is more than 60 per cent. But we should be able to do something about that. Indeed, Labor took to the last election a policy that would have reduced the effective marginal tax rates for women in those categories. It is very important that when we are asking and hoping that women will spend more time in the work force we do not punish them for doing so. People on very high incomes complain about a marginal tax rate of 48½c in the dollar and yet it seems to be okay for working women to be confronted with an effective marginal tax rate of more than 60c in the dollar.

I also note that the streamlined new tax system for a new century that came in in 2000 was supposed to deal with these high effective marginal tax rates. Some progress was made, but, overall, the incidence of high effective marginal tax rates, according to the analysis of NATSEM conducted by Gillian Beer, has not changed significantly, notwithstanding the great expectations that the government had the Australian people believe would arise from the streamlined new tax system for a new century.

That is part of the participation story. So we have population and participation. What about the third ‘P’? The third ‘P’ is productivity growth. The reality is that we will not be able to get the participation rates up to such a level as to effectively combat the adverse economic effects of the ageing of the population. They can play a role, but they cannot be most of the story. The heavy lifting will have to be done by the third ‘P’, productivity growth. On that score, the OECD, which is the favoured source when the Treasurer is looking for favourable references—he often invokes the OECD—did a country report on Australia which was completed in December last year and released earlier this year. It says:

During the four years ending in the financial year 2002-03 ... market sector MFP growth slowed to an average of 0.5 per cent. This could indicate the end of its strong trend increase in the 1990s. This is one of the early official warnings that the productivity growth that was created out of the economic reforms of previous Labor governments may now be faltering. We have had a sustained period of record productivity growth created by the reforms of the Hawke and Keating governments, but this government has failed to invest in the new sources of productivity growth in this country—such that the OECD is warning that that very long period of productivity growth may be coming to an end.

The Productivity Commission has also expressed concern that the end of that big
round of productivity growth might be occurring. Indeed, the government’s own Inter-
generational report, to which I referred earlier, assumes that Australian productivity
growth will fall back to 1.75 per cent from about 2.05 per cent per annum—that is, to its
mediocre, 30-year average—from the year 2005 onwards. If that happens, we will not
be able to effectively confront the challenge of the ageing of the population. We need to
stop productivity growth slumping back to its mediocre long-term average. Yet this gov-
ernment has failed to invest in the key sources of productivity growth in the 21st
century—in the skills of our young people and of mature age workers, in new ideas, in
innovation and in infrastructure.

Sadly, the government has been preoccu-
pied with getting re-elected—spending $66 billion of taxpayers’ funds getting re-
elected—while failing to invest in the modern sources of productivity growth. This
country desperately needs the second round of productivity growth, and it needs investment
in those sources of modern productivity growth. Instead of blaming everyone else,
from the trade union movement to every conceivable group or person in Australia, the
government ought to be concentrating on focusing on a genuine reform agenda so that
we can lift the skills base of this country, improve innovation and invest in infrastruc-
ture where it is needed—where it can create productivity growth—and not in marginal
coalition electorates.

The government has failed on all of these
accounts. We are not opposing this legisla-
tion, but it is about time the government got
fair dinkum about investing in the modern sources of productivity growth so that we
can effectively combat the economic impacts of the ageing of the population.

Mrs HULL (Riverina) (1.18 p.m.)—It again gives me pleasure to rise in the cham-
ber today to join the debate on changes proposed through the Tax Laws Amendment
(2005 Measures No. 1) Bill 2005. A number of positive changes will be introduced fol-
lowing the passage of this bill through the parliament, but today I would like to focus
on just two of those changes that I consider to be of great benefit and assistance to my
electorate of Riverina particularly and to rural and regional areas in general.

The first issue concerns the support for the trucking industry through the ‘effective life
of assets declining in value’ measure. It sets an effective life cap for the depreciation of
trucks, truck trailers, buses and light commercial vehicles. These measures were an-
nounced by the Deputy Prime Minister, Minister for Transport and Regional Services and
Leader of The Nationals, the Hon. John Anderson, in August 2004. At that time I
expressed my absolute delight and also relief at these changes. It is an issue that I have
lobbied on and advocated for some time, and I was pleased to see a great result for busi-
nesses across my electorate. By setting a life cap for the transport industry, we are able to
provide it with certainty when investing in new trucks and vehicles that will go forward
to meet the freight task—perhaps to 2020—and allow it to provide safety and also ensure
that freight tasks are met.

The statutory effective life cap is 7.5 years
for general and heavy haulage trucks; 7.5
years for general inter-city and long-distance
buses; 10 years for truck trailers; and 7.5
years for light commercial vehicles, includ-
ing minibuses. The effective life cap is the
maximum period over which depreciation
deductions can be made. Again, I would like
to thank the Deputy Prime Minister, the Hon.
John Anderson, Leader of The Nationals, for
his commitment to the industry and to this
issue and for accepting the many representa-
tions that I and many other supporters of the
transport industry, trucking in particular, have made to him in the past.

I would also like to single out one of John Anderson’s current staff, Stuart St Clair, former member for New England, who drove this debate to completion—who was able to cut through all the rubbish in order to deliver some very good results to the transport industry. Stuart, like I am, is a very great supporter of the transport industry. Of course, as we all know, we do not have other forms of delivery mechanisms running through our supermarkets and local shops every day. We certainly do not have rail lines running through every single supermarket and every single retail outlet across Australia.

Trucking is essential for growth and competition in this nation. Safe trucking is even more essential. The Australian Truck Memorial is in Tarcutta, in my electorate. Unfortunately, every single year we have far too many new names to add to that memorial. You are only added to that memorial if you are killed on the road in a truck accident. Great credit goes to Ron Pullen and Erwin Richter and their band of volunteers, who built and maintain the truck memorial and who dedicate their time to ensuring that truck drivers are not forgotten in the history of Australia.

Truck drivers are a very important mechanism for Australia to be able to go forward competitively nationally and internationally. At times they are not given their due credit. They are the people who take to the roads day and night. They sometimes have unfair targets forced upon them. They have to leave their families day and night. That is part of their way of life. They are committed to the very great industry that they belong to. I believe that, once you become a truck driver, it is something that gets into your blood and something that you are very proud of.

It is something that all Australians should be proud of. It is not until you go to select the Vegemite on the supermarket shelf and find that the shelf is empty or go to collect the milk, the butter or the bread—the staples of life—and find that they are not available that you recognise the very valuable role that truck drivers play in the everyday economy of the Australian people. We should always recognise that we need to support the transport industry.

That was what Stuart St Clair did when he undertook to ensure that there would be a very positive outcome for the transport industry. Yes, he is a supporter of that industry, but he is also a supporter of the future of Australia and of regional Australia. He recognised that there was an absolute need for this legislation to pass through this parliament to enable suppliers and purchasers of trucks to keep up the safety mechanisms in their fleets and ensure that we minimise road accidents by not using antiquated fleets when there is not adequate depreciation and write-off and to ensure that people can economically sustain themselves in business with ever increasing costs in insurance, fuel and diesel prices and a whole host of areas in a very competitive and increasingly difficult industry. But these people are committed. I see this bill as an essential and critical part of Australia’s future and nation building on behalf of the transport industry.

Wagga Wagga is a great trucking town. It has Hartwicks Trucks, which has one of the largest outlets and distribution centres in the Southern Hemisphere. There is Wagga Motors, Thomas Bros, Ron Crouch Transport, Peter Rodney and Toll, formerly Finemores Transport. There are operators like Phyl Jones in Hay, who was transport woman of the year—an amazing woman. These people and more right across my electorate will get the benefit of this piece of legislation that is going through the House today.
I do not think we can underestimate our responsibility to ensure that our trucks are as safe on the road as possible and are able to meet the freight task of the 2020s and beyond. To do that we need a combined commitment to both rail and road. Both of those should be in synergy, not in opposition. They can both work together, which is the very great benefit of the huge AusLink proposal that the Deputy Prime Minister has been championing and is in control of. All in all he has made an absolutely enormous contribution to an industry that is sometimes not so much revered but paid out on to a great extent because they are on the roadways with motorists. I suggest that motorists learn to live with trucks on the roads, simply because trucks provide the way in which you live your lifestyle. Your everyday economy relies on these people, who at all times of the day and night are risking their lives, and others, to ensure that we have product on our shelves. And woe betide us if we do not have product on our shelves. Sometimes I think it would be a great idea to have a huge truck stop where they all stopped work for a week and we did not get product into the retail marketplace. I think then we would understand and perhaps start to appreciate the great benefit that the transport industry, in particular truck drivers and their families, give to this nation.

The second issue that I would like to deal with is the change to the remote area housing benefits. This measure will greatly assist my region to attract employees to areas that are suffering from skills shortages—and, who knows, in the future there may be areas with non-skills shortages. After years of not recognising the benefits of trades and services, as I have raised in this House time and time again, and after being absolutely obsessed with the pathway into university and with academic qualifications and education, we now find that every community across Australia is experiencing serious shortages in skills in trades and services.

The Tax Laws Amendment (2005 Measures No. 1) Bill 2005 will assist us to attract some of those people into areas that are not commonly known to be able to be utilised under the remote area housing benefit and FBT exemption. Under the current legislation there is an exemption from fringe benefits tax for remote area housing if certain criteria are met. These changes today are so significant because they will amend the legislation to remove the current requirement for the provision of remote area housing by an employer to be customary in that particular industry. It is so significant, particularly for rural and regional Australia and those remote areas that have not been able to take advantage of this particularly beneficial area.

Generally, a benefit is considered customary where it is common for employees in the industry to be provided with the same or similar benefits. This amendment will provide access to the remote area housing FBT exemption by employers in industries where employer provided remote area housing is not common. That is in a great number of industries right across my electorate of Riverton. I am sure that this is going to be most welcome by many businesses and industries across Labor, Liberal and National Party electorates because it will enable them to offer far more attractive packages and incentives that will include housing.

The changes will certainly see housing being offered as an incentive for much needed staff to fill these severe skills shortages. If you are able to offer this housing and attract these professionals into this housing, that also kick-starts the building industry in those communities because all of a sudden you see construction of housing taking place. I must bring attention to an area that was in my electorate until 2001—and I worked tire-
lessly on its behalf—and that is Hillston. After 2001 it became part of the electorate of the member for Parkes, the fortunate John Cobb. He was able to reap the rewards of a booming community. When the building industry utilises this remote area housing FBT exemption you will then see it kick forward. You saw Hillston kick forward enormously with huge investment because it has significant access to water—its growth has been huge. The capacity for that community is now unlimited and the building industry is required in those areas.

When a piece of legislation like this is put forward it not only provides an FBT exemption but also provides small local communities with great opportunities. This then attracts professionals and kick-starts the building industry. We can build houses to attract them to those areas. Hopefully they will bring their families in. It might attract teachers and so on. The multiplier effect of a piece of legislation such as this cannot be underestimated. I am hopeful that when people debate this legislation in the House they will recognise that it is not a ho-hum piece of legislation. It is in fact very critical, very important, and it can provide enormous opportunities to rural and regional Australia.

The minister has provided those areas that are experiencing serious skills shortages and non-skills shortages, and those industries in those areas that have been unable to employ skilled staff to fill crucial positions within their businesses, with an enormous opportunity with the flow-on value-added benefits of this piece of legislation. Industries are desperate to secure those staff members and they have made their voices clearly heard. This opportunity to offer housing without attracting fringe benefits tax will make the situation much more attractive to all of these industries.

I commend the minister for putting forward these changes. I think that, in essence, what we have here is somebody who recognises that, without assistance, rural and regional areas in particular are not going to be able to remain competitive into the future. We cannot all live in congested and crowded cities. We have a quality of life but also a quality of output in regional Australia that is recognised now by this bill. It also will give us added value and added capacity to be able to continue to build to ensure that communities do not deplete in size over the years when they may not be able to attract those skills that are required. As I said, I commend both ministers responsible for this tax laws amendment bill and I am sure that regional Australia in the future will recognise just how significant this bill is.

Mr Hatton (Blaxland) (1.34 p.m.)—I am delighted to speak to the Tax Laws Amendment (2005 Measures No. 1) Bill 2005 and its four provisions and specifically to Labor’s second reading amendment, which states:

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) failing to embrace real and meaningful tax reform; and

(2) failing to develop effective tax and related policies to address the problem of Australia’s ageing population”.

In her speech the member for Riverina, rightly—given that she has significant transport activity within her electorate and in arguing for the FBT exemptions for people in rural and remote areas—said some good things about this package of four significant changes to the tax act. That is why the opposition is supporting all of those four measures. But, as the shadow minister indicated, we are not supporting these measures in the
same manner effectively as the member for Riverina, who talked about them and really boosted the need for them. We are supporting them because there is nothing inherently wrong that we can see so far in the major provisions of this bill, but we are going to have a second look at some of these provisions just in case.

It is now 16 February 2005 and the clock is ticking down to 1 July 2005—come 1 July 2005 we will have a new Senate and in the new Senate the government will have a majority, as it had during the years of the Fraser government. We know that this Prime Minister, the member for Bennelong, will be attempting to make up for the disastrously poor record that he had as Treasurer in the Fraser government when he virtually could not get any of his major changes through.

As Treasurer, the member for Bennelong was denied those major changes which later—under another Treasurer, a former member for Blaxland—reformed Australia’s financial system, recast and reinvigorated Australia’s taxation system and put it back on a much firmer footing. Whereas the member for Bennelong presided over a disastrous series of tax scandals—and the bottom-of-the-harbour tax scandal is the greatest of those—that was sorted out by the incoming Labor government. You can look at the member for Bennelong’s sorry record from 1996 on. You can have a checklist and look at all those things that the member for Bennelong could not do because he was not strong enough as Treasurer to get up and put into law, very belatedly, anything left over that Labor had not done—any significant achievement there. It is on the checklist.

The member for Bennelong signed up to the GST and the implementation of the GST when he was first elected into this House, from 1974 onwards. Being a dear conservative and a fundamental traditionalist, he signed up to a 1960s tax—some might even say a late-1950s tax—operating out of the European countries. It was based on regulation. It was based on having an enormous paper trail. And it attempted to ensure that, whatever transactions there were between two or more individuals in a country, the government’s hand should be in the pocket to extract something out of those transactions.

We know there are a lot of people who have operated economically over time on the basis that, if you only take a small bit of the current action, you can end up with great wealth. I know that Bill Gates, the CEO of Microsoft—although Steve Ballmer has now taken his place—who is now the chief product development officer in the software area, has attempted in the last 10 years to transform his business, effectively, into a taxing agent to try to get just a little bit out of every small transaction that is done electronically and therefore to build his business into the future. This government has done that with the GST.

We have here a backing and filling exercise by the government. They have the broad range of the tax act before them. This is an attempt to put four measures into place which will change what is there. There is some beneficial effect if, for instance, you are someone who works in a remote or regional area in the mining industry. The mining industry has been deleteriously affected: one, by world conditions and, two, by the fact that, in Australia, there was a dramatic decrease in demand for Australia’s mining product until about a year ago, as the parliamentary secretary at the table, the member for Eden-Monaro, would well know. That decrease in demand led a number of parliamentary committees—the industry and resources committee and, prior to that, the industry, science and resources committee, and indeed his own science and innovation committee—to look at the question of Aus-
tralia’s research and development programs, both government and business, to try to find an answer to the problems in the mining industry. There is an associated series of problem, in that a vast tranche of Australian geologists—who are very much the world's best, using Australian expertise and Australian developed technologies—no longer work as geologists. They have been displaced, going to countries overseas or entering other professions or trades because they could not work due to the great downturn in mining activity.

One aspect of this bill goes to the question of a geologist in a remote area who is looking to relocate from one area of Australia to another. They might need some help with that relocation. There is a specific provision to allow a consultant to be paid, at arm’s length, in order to help that person with the relocation. So, if they were moving from one area of Australia to another, they could then seek to claim the cost of that. This provision is driven not only by people in the mining industry but also, indeed, by local members who have seen that there is a particular problem and cost there. This is a relatively minor provision that has been put forward as a change, but it is linked to a number of other fringe benefits tax provisions to try to kickstart this.

In the explanatory memorandum, in example 1.1, Jenny-Lee is an employee at Zig and Company Mining at Lightning Ridge. She is required to remove herself from Lightning Ridge to Kalgoorlie—I suppose to go from opals to gold—in order to perform her duties as a geologist. Her employer engages a relocation consultant to assist in that relocation. There are accommodation and transportation quotes. The consultant arranges and pays for six months of furniture rental and provides information about medical facilities in Kalgoorlie.

That kind of change probably is needed at the moment because of the general approach that we have had in Australia. Most people in mining over the last decade or so, particularly since this government came into being, have had fly-in, fly-out operations, but geologists in the field were usually on the ground. We note the current environment, where WMC is subject to a hostile takeover from Xstrata. Xstrata’s experience in Australia has been different, shall we say, in different states, but one of the aspects of their operations in Queensland is that they have actually reversed the normal mode of operation for most people. Instead of adopting a fly-in, fly-out policy, they have started to build facilities on the ground and relocate people from mainland cities into remote mining areas. So I expect that this provision, which currently casts itself over a relatively small number of geologists and like people, will become more significant, particularly if Xstrata is successful in taking over WMC. So that is one of the provisions, but we do not gainsay it. It is a backfilling exercise, but it will have significant impact not only for the mining companies but for people employed in remote and regional Australia.

As I said, there are four areas in this bill. The first example I have discussed refers to the first area, in schedule 1—those FBT exemptions to remote housing, relocation and work related items—and we do not oppose that at all. In the second area, there is a special depreciation concession for commercial vehicles over 3½ tonnes. We have substantial policy concerns in regard to that. We believe that a short Senate review, given that we only have until July 1 to undertake that, is necessary. Labor will be working to ensure that that
happens. Indeed, in his contribution to this debate, the shadow minister underlined the problematic current situation where you have domestic onshore tour operations and overseas operations. It seems that, through a variety of schemes, some overseas operators have been able to wriggle things around so that no GST is paid by their clients on trips to Australia. That is not how the original GST legislation was intended. Labor are concerned about this, and the government seem to be concerned in terms of the direction they are moving. They are generally supportive, but we think this needs to be looked at more closely.

The fourth area is the mature age worker tax offset. There is a substantial argument by the shadow minister in regard to this provision. This is an election provision. We know that, over a period of more than six months, a total of $66 billion—that is $66,000 million—was promised by Prime Minister Howard. One thing we can be sure of, and given the situation post the 1998 election when we had core promises, non-core promises and a period of three years in which he was put to the test on that, is that most of those provisions will find their way into law. One of those provisions is this mature age worker tax offset. This provides, for those people who are eligible, a payment of $500 a year, year on year as an annual payment, over a four-year period at a cost to the Commonwealth of $1 billion. What that provides to those employees who take this up is an actual benefit. The fundamental concern that Labor have, which was raised by the shadow minister, is how significant this will be not only in terms of moneys expended but also as a driver for getting people who are 55 years of age and over to stay productively in the work force. My guess, along with that of the shadow minister, is that it will be relatively insignificant because we know that there is a series of associated problems.

Indeed, I have spoken before in this House about one of my constituents over the pension age of 65 who rightly took advantage of the government’s provision that he could delay going onto a full pension—I think he was given a bonus in the order of $1,500 a year before tax with regard to that. He took the government’s money for a three-year period. He also took advantage of the provision that he would still be able to bank his super. But on reaching the age of 70 years—he was about 67 when he initially took this up—he got a letter from the department saying: ‘You are 70 years of age. From this point on your employer is not bound to, and indeed cannot, put nine per cent superannuation contributions into an account for you. You are no longer eligible for it.’

So here we have contradictory messages. On the one hand, the government say: ‘Here’s $500. If you’re over 55, this should be an incentive for you to stay in the work force’. On the other hand, the government still have not done a single thing to address the situation of the people who are over pension age, who have reached 70 years of age and who choose to work longer. We need people to work longer, if they so choose. We have to take into account the fact that we have a doubling of people who are of pensionable age. That doubling will only become more apparent as more of my generation are superannuated. The longer people work, the more balanced and the more structurally sound will be not only our employment work force but also our productivity and the economy.

What has the government done about that? Absolutely zero. There has been not one measure, not one sound from them, about a real problem for people who want to continue working. Why should they stay in the work force, be denied the nine per cent superannuation they got throughout their working life and have an employer not pay them a
single zack extra? It would be very cheap to take on people who are 70 years plus—the on-costs would be much lower. The government here are providing $1 billion over four years and they have not moved to fix a much greater problem.

This goes to the core of what the opposition’s second reading amendment is about. I will re-state it. It refers to the government:

(1) failing to embrace real and meaningful tax reform; and

(2) failing to develop effective tax and related policies to address the problem of Australia’s ageing population.

Yesterday the member for Hotham quite rightly and properly argued in the first half of his appropriation debate speech that Labor have put forward a significant set of policies attempting to deal with two key problems: firstly, the intersection of tax and social policy areas and, secondly, the related problem that people have very high marginal tax rates—indeed we know it is 68 per cent, 72 per cent or even 82 per cent—if they receive a benefit and work as well. That has gone on for decades. This government so far have done virtually nothing to address that.

We know that if that is not fixed properly then a person receiving either a disability allowance or unemployment benefits living next door to someone who is working full time will be advantaged in terms of paying much less for prescription drugs and having a range of other concessions. So the person next door who is working full time can develop a kind of envy over the fact that they are, virtually, not in front of the person who is not working at all—whatever the cause of those circumstances. This government seek to push people back into paid employment—in a period when the participation rate has in fact fallen, and fallen relatively substantially despite the fact that unemployment is at a historic low—but have not got the means with which to do it; unless of course they actually holus-bolus take Labor’s proposals and, after a bit of refashioning and changing their outward appearance, market them as their own. I expect that we will see that happen in the short term.

Since 1996, this government has crowed about one significant tax change, embodied in changes that are operative here—that is, incorporating a GST and bringing it into Australia. As I said at the outset of my remarks, this is a tax that works extremely well if you want to put your hand in people’s pockets in relation to virtually everything that they do in life. It is a terrific way to get money into the Commonwealth coffers. This is a Commonwealth tax: it is imposed by the Commonwealth, collected by the Commonwealth and then disbursed to the states in place of the original grant provisions that they received.

In terms of this tax, this is a government not even smart enough to do it in a modern way, or even in a late 20th century way, let alone in an early 21st century way. Why would you adopt a 1960s model paper-driven GST, developed in the European economic community and bureaucratised there, and take it holus-bolus? Why have that kind of imposition when we have significant computing power available, not only in terms of local computer resources but also in terms of network resources, and when you have got auditing capacities available to the tax office and others? Why would you not actually change this into a retail sales tax so that you could dramatically change Australia’s taxation system? Why not have it a more efficient and effective system, take the administrative burdens off Australian industry and be able to deliver a better end product to the Australian people? I can answer those questions: it is because we have a coalition government and not a Labor government that would be willing to look more innovatively
and more flexibly at the problems that we have in superannuation and ageing. I commend this set of proposals from the opposition to the House. (Time expired)

Ms CORCORAN (Isaacs) (1.54 p.m.)—
The Tax Laws Amendment (2005 Measures No. 1) Bill 2005 has a number of tax measures in it but I want to talk about just one—that is, the measure that will provide a tax offset for older workers. This bill provides a tax offset of up to $500 for those workers over 55 years of age. Eligibility will depend on age, of course, and income from working. In 2004-05, the offset will phase out at five per cent from $48,000 per annum so that no offset is available when net income from working exceeds $58,000 per annum. From 2005-06, that offset will phase out from $53,000 per annum so that no offset is available when net income from working exceeds $63,000 per annum.

This is all well and good as far as it goes. I am not going to stand in the way of a tax cut for older workers. But, as a policy to address the issue of mature age unemployment, this is woeful. We have heard lots about the ageing of Australia’s population. We have heard lots about the growing lack of skilled workers in Australia. The Intergenerational report, released by the Treasurer a couple of years ago, predicted that by 2042 there will be more people in Australia over the age of 55 than under the age of 55. Since its release, the Intergenerational report has been used mainly to paint a doom and gloom picture of the cost of health into the future. It has linked that to our ageing population. This is another matter and one that needs to be discussed, but at another time.

The point of the Intergenerational report for this exercise is that we have a population which is ageing and we must consider all the ramifications of this. One of them is that an increasing proportion of our work force will need to be coming from the ranks of older people. At the same time that we are hearing about a growing lack of skilled workers, the Australian House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation’s recent inquiry into ways to increase participation in the paid work force was told that by 2020 there will be 500,000 jobs with no-one to do them. We hear from various industry groups about existing skills shortages in most trades, including engineering, the construction industry, vehicle trades, food trades, electrical, printing et cetera.

At the same time that we hear about all of these shortages I am hearing from my constituents that older workers are finding it hard to get back into the work force. Mature age unemployed people face a number of difficulties. Often the person has been employed for most of their life but is now suddenly out of work, often because of redundancy or downsizing, for the first time. The older unemployed person usually experiences the same feelings that other unemployed people do—loss of confidence, immense frustration at being unable to find work, a feeling of the world passing them by and of being invisible. Older unemployed people, particularly men, often find it hard to ask for help. Language barriers can cause problems too. One constituent who rang me for help is a good example. He has two degrees—one in business management and a diploma. He returned to Melbourne two years ago after working overseas for five years and has not been able to find work since. He told me that he attends a number of interviews but is always overlooked for a younger person with more up-to-date qualifications.

Another constituent told me about his experience. He has now found a job, but it took him two years. This person is well qualified and held senior positions in Telstra before
taking a redundancy package. In a 12-month period he applied for 192 positions. He regards himself as one of the lucky ones, because he was offered a job on the other side of Melbourne involving a return trip of 135 kilometres a day through traffic. He is now working in a satisfying job reasonably close to home.

Mission Australia says that older workers are now one of the most susceptible groups to both early exits from the work force through retrenchment and to long-term unemployment. They make up about 22 per cent of the official unemployment figures. Their real level of unemployment is likely to be higher, as many older unemployed people simply give up looking for work and others will have accepted a part-time or casual job when they really wanted a full-time job. Older workers face problems that younger unemployed people usually do not face, including prejudice and discrimination, simply because they are older. They are often overlooked in the workplace for ongoing training or upskilling which, of course, further disadvantages them in looking for work. It is worth noting in passing that 40 per cent of people in this age group do not have formal qualifications beyond compulsory schooling, so developing skills and training is essential for them to stay in the work force.

Participation in the work force by older people is not linked to an unwillingness of older people to work but rather to the unwillingness of employers to employ older people. The Howard government has recognised that there is a problem with mature age unemployment and has established the Prime Minister's community business partnerships committee on mature age workers. This committee included Mission Australia CEO Patrick McClure, CBA Director Fergus Ryan and multicompany director, David Gonski.

The SPEAKER—Order! It being 2.00 p.m., the debate is interrupted in accordance with standing order 97. The debate may be resumed at a later hour and the member will have leave to continue speaking when the debate is resumed.

QUESTIONS WITHOUT NOTICE

Environment: Climate Change

Mr BEAZLEY (2.00 p.m.)—My question is to the Prime Minister. Has the Prime Minister seen the comments of the Minister for Industry, Tourism and Resources in today's Sydney Morning Herald where, in relation to the link between carbon dioxide emissions and climate change, he said, ‘Whether or not those emissions are causing climate change, I don’t know’? Is the Prime Minister aware of comments by the Minister for the Environment and Heritage to the same newspaper on 4 January this year, where he said, ‘I think we need to engage the climate sceptics, those people who are pulling the doona up over their heads, and get past the debate over whether or not climate change is real’? Does the Prime Minister agree with his minister for industry or his minister for the environment?

Mr HOWARD—I think they are both splendid ministers and, of course, I agree with them both. They do their jobs extremely well. I take this opportunity, as the Leader of the Opposition has asked me a question about climate change, to reaffirm, for reasons I am sure will become apparent during question time, that the government does not believe it is in Australia’s interest to sign the Kyoto protocol.

Kyoto Protocol

Mr BROADBENT (2.01 p.m.)—My question is on the same subject addressed to the Prime Minister. Would the Prime Minister inform the House of the government's approach to the Kyoto protocol and reducing
Mr howard—The principal reason why Australia will not sign the Kyoto protocol is that it is not in Australia’s interest to do so. We take decisions not based on ideology or prejudice; we take decisions that are based overwhelmingly on a consideration of the national interest. The reality is that the modalities surrounding the Kyoto protocol at present mean that, if Australia were to do what the Australian Labor Party wants Australia to do, we would create a situation where countries such as China, India and Indonesia would not be subject to the same penalties and restrictions as would Australia, and as a result we would run the risk of losing both industry and jobs to countries in that situation.

Any but the most cursory examination of this issue will tell you that, until such time as the major polluters of the world, including the United States and China, are made part of the Kyoto regime, it is next to useless and, indeed, harmful for a country such as Australia to sign up to the Kyoto protocol. It is worth noting that as of now, on my advice, there are only four or five countries in the world that are on track to meet their Kyoto emission targets. One of those countries is Australia; others are New Zealand, the United Kingdom and Sweden—and Germany, I understand, is close.

So, when it comes to performance as distinct from rhetoric and Valentine’s Day or Christmas cards or anything else, Australia is doing as well as any other country in the world. Australia is on track to meet its emission targets. Australia will not become part of an arrangement that is going to potentially destroy jobs in this country. We are not going to be part of an arrangement that will see the export of industries from this country; but we will be part and we are part of an arrangement whereby, through our own domestic policies, we are able to reduce emissions and, indeed, to be performing as well as any other country in the world in meeting our targets.

Economy: Carbon Trading

Mr Albanese (2.05 p.m.)—My question is addressed to the Treasurer. Is the Treasurer aware of the statement in the Australian newspaper of 21 August 2004 that ‘federal cabinet rejected such a scheme’—a carbon-trading scheme—last year, even though Environment Minister David Kemp and Treasurer Peter Costello promoted it, after industry lobbied John Howard’? Given the benefits which would flow to the Australian economy from our participation in the global carbon-trading market, does the Treasurer support measures which would allow Australian companies to engage in this market?

Mr Costello—I am not aware of that newspaper item from last year, but I can say that, if you are asking me about the economic effects of the Kyoto protocol, I thoroughly agree with what the Prime Minister has just said. For Australia to ratify the Kyoto protocol in the absence of particularly countries from the developing world would just shift production from Australia to the developing world without any commensurate improvement in the environment and certainly with a very large detriment to the Australian economy. Given those considerations, I do not believe that there is an economic benefit in ratifying the current provisions of the Kyoto protocol.

In addition to that, Australia has managed to take a completely responsible position in relation to greenhouse gases. As I heard the Prime Minister just say, we are one of the countries that has probably been more successful than others. We will play our part, but we will not be part of a one-sided agreement.
which would handicap the Australian economy.

Rafik al-Hariri

Mr BAIRD (2.07 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of the government’s reaction to the assassination of the former Prime Minister of Lebanon, Rafik Hariri?

Mr DOWNER—I thank the honourable member for Cook for his question. He is one of a number of members who has many friends in Lebanon and a particular interest in Lebanon. As members are aware, a massive car bomb killed Mr Hariri on 14 February. Apparently, 16 others were killed and around 100 people were injured in this incident. We extend our condolences to the families of the victims. Our ambassador in Beirut has expressed these condolences directly to Mr Hariri’s family and will visit his family home as part of his funeral ceremony today.

Mr Hariri will be remembered for his significant contribution to the reconstruction of Beirut following the civil war that took place in Lebanon. We had been hoping that he would visit Australia during this year, but unfortunately he had some difficulties with his schedule in the early part of the year. He was known to members on both sides of the House. The Attorney-General, when he was the Minister for Immigration and Multicultural and Indigenous Affairs, met with Mr Hariri in Beirut in 2001. A parliamentary delegation to Lebanon met with him in 1993, and other members from the former Labor government and the present government met with him as well.

As a result of this incident, we will be upgrading our travel advisory for Lebanon. Although there will be no change to the overall level of advice for Lebanon, we will be continuing to advise Australians to exercise a high degree of caution. We have added:

Such incidents—that is, political assassinations—can lead to retaliatory attacks or other violence. Bystanders can be caught up in these attacks.

We deplore this act of senseless violence and terrorism. At this stage it is too early to be sure who is responsible for it, but the perpetrators—whoever they may be—must be identified and then they must be brought to justice. We strongly support Lebanese sovereignty, independence and national unity. As a matter of principle, we support the withdrawal from Lebanon of foreign troops—that is, of course, Syrian forces. We expect Syria to act in accordance with the United Nations Security Council resolution 1559, which calls for withdrawal of all foreign forces and the disbanding of militias.

Avoiding Dangerous Climate Change (Kyoto Protocol Ratification) Legislation

Mr BEAZLEY (2.10 p.m.)—My question is addressed to the member for Grayndler, standing order 99. I refer the member to his Avoiding Dangerous Climate Change (Kyoto Protocol Ratification) Bill 2005, which appears on the Notice Paper. Considering that the Kyoto protocol takes effect from today, why is it necessary for this bill to be given priority for debating and passing by the House?

Mr Pyne interjecting—

The SPEAKER—Order! Members on my right!

Mr ALBANESE—I thank my leader for the question. The major reason why this bill should be prioritised is the fact that the Kyoto protocol comes into effect today after being ratified by 140 countries, plus the European Union. Of industrialised countries, only Australia and the United States—and, to be accurate, also Lichtenstein and Monaco—are outside the agreement.

Mr Pyne interjecting—
Mr ALBANESE—Whilst the rest of the industrialised world can celebrate, Australia can only lament this lost opportunity. The reason why my bill should be prioritised is that climate change is the No. 1 environmental challenge facing the global community. My bill should be prioritised because from today Australia will be restricted from the economic opportunities that arise in the global trading market. The Sydney Futures Exchange, to name just one, developed infrastructure in the financial year 1999-2000. They are in a position to have a trading platform, a registry function and a settlement service, but they have put this all on hold until Australia ratifies the protocol. The reason why my bill should be prioritised is that, until we do, Australia will not be able to benefit from clean development mechanism provisions contained in the protocol.

Mr Pyne interjecting—

The SPEAKER—The member for Sturt is warned.

Mr ALBANESE—These are designed to encourage renewable energy projects in developing countries, such as the natural gas project that Australia has with China. My bill should be prioritised because until it is, and until it is carried, renewable energy projects will continue to move offshore to countries which have ratified the protocol—such as Pacific Solar, based in Botany in the electorate of the member for Kingsford Smith, which has moved from Sydney to Germany, taking jobs with it.

My bill should be prioritised because, as the Prime Minister says, we are on track to meet our Kyoto target of 108 per cent of 1990 emissions by 2012. The Prime Minister is right when he says the then Minister for the Environment and Heritage, Senator Robert Hill, did a good job negotiating on Australia’s behalf in Kyoto. He was right when he said in 1997 that the protocol was good for jobs and good for the environment. He was right then, but he is wrong now. My bill should be prioritised because Australia’s ability to influence what happens in the post-Kyoto world, after 2012, is restricted because we will not be at the negotiating table. We are isolating ourselves from this new opportunity.

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order. The member is now debating a bill which is on the Notice Paper, and he should be ruled out of order.

The SPEAKER—The member for Grayndler is expected to explain why his bill should be given priority in the process, the timing and the procedures—and I would ask him to restrict himself to those points.

Mr ALBANESE—It is absolutely critical that my bill should be prioritised, because day after day in here we are discussing national security. Agreements such as the Kyoto protocol promote a common purpose. Climate change is the ultimate intergenerational issue. We should prioritise it for the sake not just of ourselves but of our children and grandchildren.

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order. You explained to the member opposite that he has to explain why it needed prioritisation. He is refusing to abide by your ruling and is debating the bill.

The SPEAKER—The member is in order.

Mr ALBANESE—Thank you, Mr Speaker. I can sum up to the Prime Minister in two words why this bill should be prioritised and why it should be carried by this House: carpe diem—seize the day.

Trade: Coal Exports

Mr NEVILLE (2.15 p.m.)—My question is addressed to the Treasurer. Would the Treasurer outline to the House how supply bottlenecks are interfering with the export of
coal to overseas markets? What action should be taken to deal with such bottlenecks?

Mr COSTELLO—I thank the honourable member for Hinkler for his question.

Mr Albanese—I thought he was going to ask me.

Mr COSTELLO—and I congratulate the member for Grayndler on giving certainly the most riveting speech to the House since Fidel Castro addressed the Cuban people for five hours in Havana on Independence Day—and if you listen to Fidel Castro too much you will become like him.

The coal industry is one of Australia’s most important industries. Coal is Australia’s No. 1 export, earning the country $13 billion in 2004. The total proportion of Australia’s export coal going out of Dalrymple Bay, off Mackay, is 25 per cent and the Dalrymple Bay coal terminal is one of the largest terminals in the world. Last week 42 bulk carriers were queuing off the coast at Dalrymple Bay and, according to the AM program this morning quoting the local hotel owner, 38 vessels are queued off Dalrymple Bay today. Here we have our No. 1 export, here we have our No. 1 port, here we have demand which is growing for Australia’s export, here we have prices which are rising and yet we have 42—or 38 or some such number of—vessels queuing to get into the port to take those exports off overseas. I was astounded when in the AM program this morning, as they interviewed the Queensland minister for ports on what the problem was at Dalrymple Bay, he said Canberra should come up with some assistance. He said:

Not one red cent has been devoted by them to coal or rail or port infrastructure. On the other hand, the Queensland Government is spending a fortune when it comes to both ports and rail ...

I would ask the House to bear with me. The relevant minister in Queensland said the Queensland government was ‘spending a fortune’ on ports, so one must assume he is referring to Dalrymple Bay, which after all takes 25 per cent of our exports. I want to table in this House the true situation in relation to Dalrymple Bay. In the Queensland parliament on 22 June 2001, the Treasurer, Mr Terry Mackenroth, stood up to announce the terms on which the Queensland government gave out a 50-year lease on the Dalrymple Bay coal loader. The Commonwealth has never owned a port in Australia. The Queensland government up until 2001 owned the Dalrymple coal loader and in that year entered into a 50-year lease. He said in the Queensland parliament:

... the lease will free up government capital in the terminal, ensuring the government can put taxpayers’ money where it belongs—in schools, hospitals and roads.

Listen to this:

It will also relieve the government of the need to meet the terminal’s future capital investment requirements of some $600 million over the next 10 to 15 years ...

In other words, the Queensland government divested itself of this loader in order to get out of the capital investment that was required and along the way pocketed $630 million from the 50-year lease.

Mr Tanner interjecting—

The SPEAKER—Order! The member for Melbourne!

Mr COSTELLO—Now, after pocketing the $630 million, after walking away from the investment that was required, we have Paul Lucas on AM saying it is all Canberra’s fault.

Mr Tanner interjecting—

The SPEAKER—Order! The member for Melbourne is warned!

Mr COSTELLO—They must have a button they push up there in the Queensland
government: ‘Whatever the problem is, it must be Canberra’s fault.’ This was a Queensland port. This was leased by the Queensland government. They took $630 million to do it and they did it so that they did not have to engage in capital investment. People in this House might well say that investment in schools and roads and hospitals is a good thing. Let me make this point: in 2004-05 the Queensland government will receive in GST revenue $7,314 million, including a windfall of $760 million out of the GST. From the Commonwealth government’s point of view, we are not going to allow this important matter of Australia’s infrastructure to wallow in incompetence. I have spoken to the minister for transport. We will be inviting the coal producers out of Queensland to come down to Canberra to speak to the Commonwealth government, to give the Commonwealth government advice on what it might do to try and bring the Queensland government to the party to clear that port and help Australia’s export industry.

**Health: Cancer Screening**

Ms GILLARD (2.21 p.m.)—My question is to the Minister for Health and Ageing. Does the minister recall his election commitment made on the run after Labor had announced its cancer policy to provide funding of $90,000 to support Ovarian Cancer Awareness Week? Can the minister explain to the House and to all Australian women why the government has failed to deliver on this election commitment, a failure which has jeopardised the ability of the National Ovarian Cancer Network to run Ovarian Cancer Awareness Week next week? How does the minister justify the government’s priorities: more than $5½ million for the insolvent Beaudesert railway and nothing for an awareness week for a cancer that kills an Australian woman every 10 hours?

Mr ABBOTT—This is a government which keeps its commitments, and any commitment that this government has made will be honoured. Any commitment that this government has made will be honoured. Certainly, this is a government which believes in improving cancer care. During the election campaign, we announced a widely applauded cancer care policy that involved the commitment of $137 million more to cancer care over the next four years. As part of that, there was $2 million over four years to fund the kind of grant that the member opposite refers to. If there was any commitment made, it certainly will be kept.

**Workplace Relations: Building Industry**

Mr HENRY (2.23 p.m.)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister update the House on the government’s progress in reforming the building and construction industry?

Mr ANDREWS—I thank the member for Hasluck for his question and his interest in the ongoing reform of the building and construction industry. I know that he has in his electorate WestTrack, which is a major supplier of earthmoving equipment to the building and construction industry in Western Australia. This government remains committed to cleaning up the building industry. Indeed, we will re-introduce this year legislation in response to the Cole royal commission to implement the recommendations of that commission, having already implemented some 170 of the 212 recommendations of Justice Cole.

A crucial part of this response has been the implementation of the National Code of Practice for the Construction Industry. I am pleased that both the states of Victoria and South Australia have signed up to this code but disappointed that Western Australia, where the honourable member’s electorate is,
has still not signed up. I note that just last week the state opposition in Western Australia committed to signing up to the code of practice, should it be elected to government. I once again call on Premier Gallop to sign up on behalf of Western Australia because, by not doing so, the Gallop government is denying valuable Commonwealth funding to AusLink projects in that state.

There is no state in more need of a clean-up of its building and construction industry than Western Australia. I quote from the report of the Cole royal commission, which found that the building industry in Western Australia:

... is marred by unlawful and inappropriate conduct. Fear, intimidation and coercion are commonplace. Contractors, subcontractors and workers face this culture continuously.

At the centre of this culture and much of the unlawful and inappropriate conduct is the CFMEU.

The reality is that Western Australia remains the strike capital of Australia. Its building industry is the worst performing industry of all states, and the biggest impediment is the Gallop government’s failure and negligence to control the militant building unions.

In 2003 in Western Australia the construction industry had a dispute rate of 567 working days lost per 1,000 employees. This compares to a national industry average for the construction industry of 249 days. In Western Australia the rate is almost double that of the whole of Australia. Currently we have a 12-day strike at the $253 million Worsley Alumina refinery in Collie. Last year Western Australians were only too aware of the $1.5 billion Perth to Mandurah railway line, which was hit by a crippling two-week strike. The Gallop government has made Western Australia the strike capital of Australia. Its building and construction industry is notorious for its poor performance. Western Australia can no longer continue to afford the Gallop government’s delays and indecision.

Iraq

Mr Rudd (2.26 p.m.)—My question is to the Minister for Foreign Affairs. Will the minister today provide the parliament with an unequivocal guarantee that, apart from Mr Barton, no other Australians were involved in the questioning, interviewing or interrogation of Iraqi detainees?

Mr Downer—The officials of my department and of the defence department, as well as ministers, have been happy to provide information on these issues. If there is ever any more information to provide that I am not aware of, we will obviously bring that information forward. But I have nothing to offer today except this observation: what is behind this questioning, what this is essentially about—let us understand what this pedantic debate is about—

Mr Rudd—Mr Speaker, I rise on a point of order. Standing order 104 is very clear about the minister’s answer needing to be relevant to the question. There is nothing the minister has said that is faintly relevant to the specific question asked.

The Speaker—The member will resume his seat. The minister is in order.

Mr Downer—I only want to say—

Mr Kerr—Mr Speaker, I rise on a point of order. There is a rule in the standing orders about imputing motive and, plainly, the minister is directing his attention to the motive behind a question put by a member.

The Speaker—The minister is in order, and I am sure he is very mindful of that point. I call the Minister for Foreign Affairs.

Mr Downer—My point is that these questions are designed by the Labor Party to suggest that the Australian government, including people who work for its agencies,
were involved in some way or another with the Abu Ghraib scandal. The Labor Party—

Mr Rudd—Mr Speaker—

The SPEAKER—Member for Griffith, is this a point of order?

Mr Rudd—The minister makes a mockery of the standing orders—

The SPEAKER—Is the member raising a point of order?

Mr Rudd—and the whole purpose of answering questions in the parliament.

The SPEAKER—The member will resume his seat. The Minister for Foreign Affairs has the call.

Mr Downer—What this is about is trying to suggest that Australian officials were somehow involved in the Abu Ghraib allegations or were somehow behaving improperly in Iraq. That is what this is driving at. That is what is behind this campaign by the Labor Party. That is what they are trying to achieve and, if I may say so, it is *Groundhog Day*. We heard it last year and the public—

Mr Rudd—Mr Speaker, I rise on a point of order. Not one word of the minister’s answer related to the question asked, which was: apart from Mr Barton, were there other Australians involved in the questioning or interrogation of prisoners? Not a word the minister spoke was relevant.

The SPEAKER—The honourable member will resume his seat.

Trade: South-East Asia

Ms Panoopoulos (2.30 p.m.)—My question is to the Minister for Trade. Would the minister inform the House of developments in our trading relationship with the countries of South-East Asia?

Mr Vaile—I thank the member for Indi for her question. Obviously, unlike the Australian Labor Party, the member for Indi is interested in what opportunities will flow out of South-East Asia in the future for manufacturers, producers and exporters in her electorate. The House would recall that, at an historic meeting in Vientiane last year, the leaders of Australia, New Zealand and the 10 ASEAN countries agreed to launch a negotiation on a free trade agreement between those 12 countries. I am pleased to inform the House that the first round of those negotiations on an ASEAN-Australia-New Zealand free trade agreement will begin in Melbourne on Monday.

Economic modelling undertaken, I think back in 2000, by the Centre for International Economics estimated gains of about $US19.1 billion to Australia from a prospective free trade agreement between Australia, New Zealand and the ASEAN countries. Trade between the nations involved already stands at about $43 billion. Major trading partners of Australia obviously exist within the near region to the north.

An ASEAN-Australia-New Zealand free trade agreement will further open the doors for Australian businesses, like those in the electorate of Indi, to take advantage and to realise their full potential in that market of some 500 million consumers in South-East Asia. Yet, we continue to hear the same mantra, the same rhetoric, from the Labor Party, which still will not endorse the government’s trade policy agenda, which has a balance between multilateral negotiations and bilateral negotiations. That is our approach to trade liberalisation. The Labor Party are still stuck in the past and continue to put out the same purist mantra about the multilateral system. That is all good and well, but the Labor Party would be well advised to heed the advice that one of their former heroes, Gough Whitlam, once gave on the impotency of purity.
DISTINGUISHED VISITORS

The SPEAKER (2.32 p.m.)—I inform the House that we have present in the gallery this afternoon Mr Dan Naveh, the Israeli Minister for Health. Mr Naveh is accompanied by His Excellency, Mr Naftali Tamir, the Israeli Ambassador to Australia. On behalf of the House I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Regional Services: Program Funding

Mr BEAZLEY (2.33 p.m.)—My question is to the Prime Minister and refers to the Beaudesert Rail Association. Did the Prime Minister direct his then acting parliamentary secretary, Mr Slipper, to write to the provisional liquidator of the Beaudesert Rail Association on 11 June 2003? Did the Prime Minister direct his parliamentary secretary to advise the provisional liquidator that the Prime Minister was considering a range of issues relevant to the request from the member for Forde for funds? Did the Prime Minister direct his parliamentary secretary to advise the provisional liquidator that he should delay taking any irreversible actions on Beaudesert Rail? Why did the Prime Minister seek to intervene in the provisional liquidator’s administration of the association?

Mr HOWARD—I thank the Leader of the Opposition for his question. I have already provided him with a written answer to the question he asked me yesterday. The situation in relation to Beaudesert Rail was that it did receive, according to the criteria, a grant from the Federation Fund. It did get into financial difficulties. It did go into voluntary administration. Representations were made to the federal government and the Queensland government through the local member, the local council and other bodies to make the project financially viable.

Issues of this kind, as the Leader of the Opposition I am sure would know, involve on-balance judgments. On the one hand, there was an argument that you should not invest further in the project; on the other hand, there was an argument that, having committed $5 million from the Federation Fund, a further commitment should be made. In the final analysis, the government decided to provide a grant of $600,000 as part of a package of assistance, which also included $200,000 from the shire of Beaudesert and agreement from the Queensland state Labor government’s rail authority not to pursue its rights to the value of $675,000. This must go down in history as the only occasion on which the Queensland government has contributed more than the federal government to a project in Queensland. That was the basis on which the decision was made. It was an entirely proper decision and, importantly, it had the support and encouragement of the people of Beaudesert.

Health: Pharmaceutical Benefits Scheme

Miss JACKIE KELLY (2.35 p.m.)—My question is addressed to the Minister for Health and Ageing. What is the minister doing to prevent the abuse of prescription drugs and other abuses of the Pharmaceutical Benefits Scheme?

Mr ABBOTT—I thank the member for Lindsay for her question. I appreciate her concerns to ensure that taxpayers’ money is expended wisely. I can inform the House and the member for Lindsay that prescription shopping, as it is known, is not common but it does take place, and the government is taking action to stamp it out. The Health Insurance Commission, for instance, has advised of one person who, in a three-month period, obtained 200 prescriptions from 114 different doctors, and 165 of these prescriptions were for pethidine, which is a potentially addictive drug. The Health Insurance Commission...
Commission maintains a database of people who in the past three months have had scripts from more than six doctors, who have had more than 25 prescriptions for potentially addictive drugs or who have had more than 50 scripts in total.

I can advise the House that, in the past 12 months, 3,874 patients have been counselled about their drug use; 15 doctors have been referred for potential professional misconduct investigation; and 13 people have been referred for potential fraud prosecution. Since last Friday, doctors who suspect that their patients might be abusing prescription drugs have been able to access a new hotline and obtain information about their patients' use of prescription drugs. This was widely welcomed by the medical profession, particularly by the AMA. This measure, along with so many other measures, demonstrates that you can trust the Howard government with the nation's health care system.

Regional Services: Program Funding

Mr KELVIN THOMSON (2.38 p.m.)—My question is to the Prime Minister. Is the Prime Minister aware that financial assistance for the Beaudesert Rail Association from the Queensland government and the Beaudesert Shire Council was properly secured against assets of the association in order to protect the interests of the people of Queensland and the ratepayers of the Beaudesert shire? Is the Prime Minister aware that, after he had determined that funding would be provided to the association, officers of the Department of Transport and Regional Services attempted to negotiate to secure the financial interests of the Commonwealth against association assets? Why did the Prime Minister then convert the loan to a $660,000 grant, ignoring the interests of Australian taxpayers?

Mr HOWARD—The reason that the conversion took place was that it was more likely to make a contribution to the viability of the project, which, after all, was the objective.

Resources: Natural Resource Management

Mr WAKE LIN (2.39 p.m.)—My question is addressed to the Minister for Industry, Tourism and Resources. Would the minister advise the House of the contribution Australia’s resource sector is making to the nation’s economic wellbeing?

Mr IAN MACFARLANE—I thank the member for Grey for his ongoing support of the resources sector in what is a very big resources electorate. In terms of the performance of the resources sector, it is worth noting in this House just how well our resources sector is going. If we compare the forecast value of the resources sector exports this financial year with last financial year, we see some very good results: iron ore up 35 per cent to $7.1 billion, aluminium up seven per cent to $3.7 billion, alumina up six per cent to $4 billion, metallurgical coal up 52 per cent to $9.9 billion, thermal coal up 43 per cent to $6.2 billion and uranium up 25 per cent to $455 million. What we are seeing is a $65 billion boom for the resources sector, up 20 per cent on the previous year, with almost a $10 billion potential investment in capital expenditure.

This performance has not happened by accident. It has happened as a result of the reforms of the Howard government and the strength in investment in the resources sector in Australia, which ensures that we remain competitive and sustainable. There are threats to that and they come from those who sit opposite. They come in the form of a draconian labour market. They come in the form of a Labor Party that is reluctant to invest in infrastructure as outlined by the Treasurer.

Mr Crean interjecting—
The SPEAKER—The member for Hotham is warned!

Mr Martin Ferguson—Tell us about the skills shortage!

The SPEAKER—The member for Batman is also warned!

Mr IAN MACFARLANE—They come from this blind faith in Kyoto, which would see many of these industries driven offshore. They come from the three-mine policy, although I notice the member for Batman no longer supports that—an interesting decision from the member for Batman, which I think is enlightening for those who sit opposite. In contrast to that, we have a government that is committed to ensuring that the resources sector in Australia not only continues to contribute to the economic wellbeing of this nation but continues to provide jobs for Australians.

Regional Services: Program Funding

Mr RIPOLL (2.42 p.m.)—My question is to the Prime Minister. Can the Prime Minister confirm that his government does not enter into a new funding contract with a grant recipient if there are outstanding contractual obligations from a previous contract? Was the Prime Minister aware that, at the time he offered the Beaudesert Rail Association a loan of $400,000, it had still not met its contractual obligations in relation to the $5 million grant through the Centenary of Federation Fund that was re-announced in November 2001? Why did he offer the Beaudesert Rail Association a new loan before it had properly complied with the terms of this $5 million grant?

Mr HOWARD—The first part of question is asked in the general, and I will get advice from the Minister for Finance and Administration. As to the second part of the question, it was self-evident—as I have indicated in the House and in the letter I wrote to the Leader of the Opposition—that this project got into financial difficulty. A decision had to be made on whether further money would be advanced by the federal government, the Queensland government and the local council to see if it could be rescued or whether it would be allowed to die. They are on-balance judgments, and we made an on-balance judgment to try to bail it out. I think it was the right decision to take at the time.

Employment: Programs

Mrs VALE (2.43 p.m.)—My question is addressed to the Minister for Human Services. Would the minister inform the House of initiatives taken by the government to help Australians find paid work?

Mr HOCKEY—I thank the honourable member for Hughes for her question and understand her compassion when it comes to helping other Australians to get work. This government is about helping people to find and keep jobs. Many people on welfare have no formal obligations to look for work, but they should be offered the chance to work. My department and Centrelink have instituted a new program of voluntary referrals of customers to the Job Network since November last year. That means that nearly 9,000 clients were referred to Job Network—a massive change in attitude.

Mr Howard—Since you became the minister!

Mr HOCKEY—It just so happens to coincide with that, Prime Minister. One thousand people on disability support pensions
and nearly 8,000 people on parenting payment have now been referred to the Job Network. This is a 230 per cent increase on referrals over the previous December. These are voluntary referrals. I asked that we consult Centrelink customers to see how they appreciate the change in attitude at Centrelink, and I want to take the opportunity to praise the Centrelink employees who have been referring people to Job Network. One client said:

I think it is quite fantastic that Centrelink people are referring people to the Job Network member. The Job Network member has been really helpful and it has improved my job search skills. I have had an interview for the first time in years.

Many of those people referred, especially parents, were seeking part-time work to fit in with their family responsibilities. This program focuses on the significant proportion of welfare recipients who would benefit from part-time and casual work. As my colleague the Minister for Workforce Participation told the House earlier this week, Job Network placements have increased to an all-time high. I am advised that the latest Job Network performance profile shows that a total of 630,000 job placements have been recorded in the last 12 months. That is more than a 50 per cent increase on the previous year. Significantly, nearly 170,000 were long-term jobs. So with this platform, and I emphasise that it is an early start to the program, I appreciate the work of the thousands of Centrelink employees out there who are now referring people who want to work and want the opportunity to work to Job Network, because at the end of the day a job is the best thing that we can do for people.

Regional Services: Program Funding

Ms BURKE (2.47 p.m.)—My question is to the Deputy Prime Minister. Can the Deputy Prime Minister confirm advice from his department that Beaudesert Rail applied for funds through the Regional Partnerships program on 5 November 2003 and that that application was approved by him on the same day? Can he explain how this application was lodged, assessed and approved by him in a matter of hours?

Government member interjecting—

Mr ANDERSON—Yes, it is a long way from Chisholm to Beaudesert. Plainly, there had been a lot of consideration of the matter before the dilemma was resolved. I will make a couple of points about this. Part of what the opposition is trying to do here is paint a picture of some sort of conspiracy carried out in great secrecy. There was no secrecy about it at all. The matter received a great deal of public exposure from around the middle of 2003 as efforts were made by the local community, the Queensland government, the Beaudesert shire, the Australian government and the provisional liquidator to find a way of overcoming the project’s problems. It was pointed out in response to an earlier question that initially we thought perhaps a loan might have been the way forward. It proved not to be. As we worked through the issues surrounding this matter we came to a view on the best way forward. Yes, it was a balance of judgments. We made what we believed was an appropriate judgment and then we carried it forward.

When it comes to obscurity and changing positions in relation to grants, I have to say that nobody can outdo the Leader of the Opposition. Last Sunday he appeared with Mr Albanese, the member for Grayndler, saying that he of course got behind all grants. Today we had him saying to Laurie Oakes that he, Beazley, was involved in ‘none of the grant applications’. I am sure that that is what the Leader of the Opposition told Mr Oakes, but it is not quite true. Later in the same story Laurie outlined that the Leader of the Opposition lobbied the state government to also grant money for the project. So he was in-
volved and he does believe in getting state governments to help. He said that he was not involved and had nothing to do with it. That is interesting given that on 16 December 2003 he wrote to me in very strong support for a grant. Not only did he write to me supporting it, he actually advertised it very loudly and very significantly in his newsletter for his electorate—and I would be only too happy to table it. It said:

Beazley seeks funding for study of Mangles Bay marina proposal.

The member for Brand, Kim Beazley, has written to Regional Services Minister John Anderson seeking finality to the federal government’s decision to support an environmental study for the proposed Mangles Bay marina.

The hypocrisy of this knows no bounds whatsoever. The Leader of the Opposition’s position is very clear: all of these grants and proposals are absolutely terrible and ought to be shut down unless they are in Brand. I table the newsletter.

Tourism: Domestic Market

Mrs MAY (2.51 p.m.)—My question is addressed to the Minister for Small Business and Tourism. Would the minister inform the House how the government is promoting tourism, and the impact that is having on the Australian economy?

FRAN BAILEY—I thank the member for McPherson for her question. I would like to acknowledge the work done by the member for McPherson and her colleagues on the Gold Coast, the members for Fadden and Moncrieff, because the work that they do is contributing to our $73 billion tourism industry which employs more than 500,000 people, of which approximately 200,000 are employed in our regional areas. The tourism industry has been through some pretty tough times, but this government has a real commitment to it. We are currently investing around $600 million over four years, and this investment is definitely paying off because we have had a 10 per cent increase in the number of overseas visitors coming to this country. That is the largest increase we have ever had. That represents 5.2 million people. And it can get even better than that, because the projections are that there will be almost nine million overseas visitors by the year 2013. This government is investing in the emerging markets of China and India, and the success that this $73 billion industry is having is due in no small measure to the commitment and the investment by this government.

Regional Services: Program Funding

Mr BEAZLEY (2.53 p.m.)—My question is to the Prime Minister. I refer to the Prime Minister’s letter of 16 February to me in which he states, ‘The project had financial difficulties but, by the same token, a financial contribution via the Centenary of Federation Fund having been made there was a case for securing the project’s survival.’ Isn’t it true that the Department of Transport and Regional Services undertook an investigation and concluded that the project was not financially viable? Prime Minister, was this not a classic case of throwing good taxpayers’ money after bad to temporarily save a coalition member from embarrassment?

Mr HOWARD—The answer to that question is no. As for the member for Forde, it will take more than an insubstantial attack from the Leader of the Opposition to unsettle the member for Forde.

Environment: Green Corps

Mr McARTHUR (2.54 p.m.)—My question is addressed to the Minister for Workforce Participation. Would the minister inform the House how young people serving in the Green Corps are promoting environmental projects, including those in the electorate of Corangamite?
Mr DUTTON—Thank you very much to the member for Corangamite for his question. He is a great advocate for local projects in his own electorate. It was no surprise when I recently announced 33 new projects helping over 330 young Australians that in his electorate two recipients received support to do work on threatened species management and archaeological sites at Anglesea Heath.

Opposition members interjecting—

Mr DUTTON—Do you know where that is? Have you heard of it?

Opposition members interjecting—

Mr DUTTON—I doubt it. Have you ever been there? I doubt it. The second project, which is of considerable benefit to the member for Corangamite, is the coastal catchments revegetation and restoration at Apollo Bay. The Green Corps project is one that this government remains committed to, because not only is it helping the environmental protection of many endangered species around the country but it is helping young people into employment. It is providing fantastic work experience opportunities. If members opposite are serious about helping the environment and helping young Australians, for goodness sake get behind this project.

Mr Howard—Mr Speaker, there having been 20 questions, I ask that further questions be placed on the Notice Paper.

TRADE; COAL EXPORTS

Mr COSTELLO (Higgins—Treasurer) (2.56 p.m.)—I present the second reading speech from the Hon. T. Mackenroth on the Dalrymple Bay Coal Terminal (Long-term Lease) Bill.

PERSONAL EXPLANATIONS

Mr BEAZLEY (Brand—Leader of the Opposition) (2.56 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr BEAZLEY—Yes.

The SPEAKER—Please proceed.

Mr BEAZLEY—During the course of his rambling answer to one of our members on the subject of the Beaudesert railway the Deputy Prime Minister revealed inter alia that I had written to him on the subject of a regional grant in my constituency and suggested that I wanted to walk both sides of the street on this issue. Here is the answer to my letter: the announcement by the Liberal candidate, followed by announcements by the Liberal candidate on every other regional arrangement in Brand. I seek leave to table this as an example of precisely how the government was using these rorts as opportunities to create bogus local reputations for their candidates in the last election.

Leave granted.

QUESTIONS TO THE SPEAKER

Opening of Parliament: Demonstration

Mr McMULLAN (2.58 p.m.)—I have a question to you, Mr Speaker, which relates to correspondence between you and the President and the Refugee Action Committee of the ACT, based in my electorate of Fraser, concerning arrangements relating to the demonstration on the opening of parliament last year. Can you confirm whether, within the guidelines as set down, the practical arrangements to enable that demonstration to take place were in any way changed and whether on previous occasions parliamentary staff had made available access to power sources for loudspeakers et cetera and that assistance was denied on this occasion? If there were such changes, on what basis were those changes made?

The SPEAKER—I thank the member for Fraser for his question. I will make further inquiries and get back to him.
Mr ABBOTT (Warringah—Leader of the House) (2.59 p.m.)—Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings.

MATTERS OF PUBLIC IMPORTANCE

Kyoto Protocol

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

The need for the Australian Government to ratify the Kyoto Protocol which comes into force today.

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 BEAZLEY (Brand—Leader of the Opposition) (3.00 p.m.)—I thank the House. Today, across the world, parliaments and people are observing the United Nations Framework Convention on Climate Change: the Kyoto protocol. It is a day of great historical significance. The threat of global warming is one of the greatest challenges that the world community now faces. It is complex, demanding and urgent. Just as also are the other great challenges of our time: global terrorism, the proliferation of weapons of mass destruction and the crisis of extreme poverty that afflicts one billion people.

At the outset of this debate, in the context of what the Prime Minister had to say, I want to say this: it is in Australia’s interests to sign and ratify this protocol. Not a single economic benefit flows from the failure to do so. As the government itself has said, it will meet the Kyoto targets which it negotiated in 1997, so the government cannot argue that the Kyoto targets detract from this country’s economic potential. The second thing is this, and it is more vital: if you are a ratifier and a participant in this treaty, you sit at the table that determines the next phase from 2012 onwards; if you do not, you are liable to all sorts of economic action by those countries who are participants in it—and we could potentially have a very great deal to lose were those circumstances to arise. Another thing is that incorporated within this regime is a carbon trading arrangement which, as a major exporter of energy, we have substantial opportunities to participate in, yet we have been taken out of that. The Sydney Futures Exchange anticipated commonsense from this government and set up a capacity to trade in those carbon futures, but this government has let this element of the capitalist system monumentally down.

No nation can solve these global warming problems alone. They require an immense effort of technology, diplomacy and leadership for our world to tackle them effectively. I am no master of scientific knowledge on climate change—unlike the Minister for Industry, Tourism and Resources—but, like many in the Australian community, my sense of concern has deepened over several years as the scientific evidence has mounted. The picture is bleak; the evidence is compelling. I do not need to dwell on that—we are reading about it every day in our newspapers. I think, too, that we understand the consequences will be severe. The frequency of droughts and floods will increase. Water resources will become more scarce. Vast tracts of agricultural land will become arid. Many plant and animal species will face extinction. Australia will face a hotter and drier climate. The severe bushfires that have menaced us in recent years will intensify. Water shortages will become more frequent. Some of Australia’s
most spectacular natural heritage, like the Great Barrier Reef, Kakadu’s wetlands and the alpine regions of south-eastern Australia, will be severely damaged. Already, many of our folk can see these trends. It is an issue that is raised with me constantly as I go out and address groups and meet people in the community. The government are defying the commonsense and the observations already of the Australian people who put them where they are. Despite this threat, when the Kyoto protocol comes into effect today with the names of 140 countries on that list, we are not there.

Making sense of this government’s position on Kyoto, as I said, is not easy. When the Kyoto protocol was negotiated in December 1997, the Prime Minister described the Kyoto outcome as an ‘absolutely stunning diplomatic success’, saying that it would:

... make a massive contribution to the world environmental effort to cut greenhouse gas emissions but also to protect Australian jobs ... a win for the environment and a win for Australian jobs.

The Prime Minister, as we all know, is given to hyperbole when it comes to describing his achievements, but I have rarely heard him wax so eloquent in his own praise and I have never heard him before, having waxed so eloquent, spurn the product of his announcement. His position is now different. He says that Australia just cannot afford it, that it would cost us too much, that it is not in our best interests. Meanwhile, his minister for the environment has another message: that Kyoto, with its one per cent reduction in emissions, does not go far enough. As he said on 23 October 2004:

... until the protocol reduced emissions by 60 per cent, Australia would not accept it. “That would be accepting the argument that you sign on to something that is half-hearted and not likely to deliver a good result.

In other words, the Prime Minister, if he is honest—according to his environment minister—would be standing up here saying, ‘I’ll not sign this until there is a 60 per cent reduction.’ I tell you what: there would be a few comments from Australian industry then! His industry minister is not even sure that there is any problem with global warming. He is quoted in the Sydney Morning Herald today saying:

Whether or not those emissions are causing climate change, I don’t know. If you go back across history, millions of years, carbon dioxide levels go up and down, and global warming comes and goes. I mean, the Earth is a lot warmer than it was when the glaciers formed.

But the government’s position gets still more confused. The Prime Minister also says that though we oppose Kyoto and will not ratify it, yet we will reach our Kyoto targets anyhow—but, no, we still will not sign it. This is the absurdity, the internal contradiction, the sheer loopiness of this government’s position on global warming. On the one hand, the government is indignant that Australia cannot bear the cost of signing the Kyoto protocol but, on the other hand, it tells us Australia is on track and will reach its Kyoto targets.

It seems the government is saying that Australia will bear the costs but not enjoy the significant economic benefits of ratification. If we ratify Kyoto, we get access to the global carbon market and trading mechanisms built into the protocol. We gain the opportunity of building new emissions trading relationships with both developing and advanced economies. We reduce the cost of achieving the targets to less than half the cost while we remain outside, according to expert modelling prepared for the Kyoto Protocol Ratification Advisory Committee. We generate export income from overseas companies who wish to establish carbon sinks in Australia. Such investments could generate $1 billion of annual export income, according to
the Australian Business Council for Sustainable Energy.

We could also help to foster new businesses in the booming global market for low-carbon energy-efficient technologies—businesses that can create jobs for Australia and give us a stronger foothold in global markets for environmental goods and services already estimated to be worth $US515 billion in 2005. Business spurns this government on this issue. Instead, because of the government’s position, we are being excluded from these benefits and face the risk of being black-listed for trading opportunities by Kyoto signatories.

This government has had much to say which is critical of Kyoto. We on this side appreciate that Kyoto is far from perfect: it does not go far enough to stop global warming, it does not yet impose binding commitments on all the developing countries whose use of carbon fuels is growing, it does not achieve significant cuts in carbon emissions and it does not set targets beyond 2012. But we have to be realistic. Regardless of its shortcomings, Kyoto is the only show in town. While it is not perfect, there is no viable alternative. While it is not perfect, it gives us a foundation on which to set targets for emissions beyond 2012 and bring in the developing economies. You will not be able to address the fact that the Chinese and Indians are excluded from the current arrangements if you are not there to argue that they should be included after 2012—and we will not be.

It is naive in the extreme for this government to suggest that we can throw out 15 years of international work on this agreement and think we will get a deal that addresses these weaknesses. It is simply not credible; it is not how international diplomacy works. Time, patience and persistence are required. The Kyoto protocol is the central instrument that will build commitment to the climate change agenda in the next few years whilst also incubating market based solutions such as climate change technologies and emissions trading systems. If this government is serious about addressing the urgent global problem of climate change then it simply cannot reject the Kyoto protocol—because there is no realistic alternative to this agreement. That is why we are left scratching our heads at the bizarre approach this Prime Minister has taken in ignoring the gravity of the scientific evidence and ignoring the international consensus on this issue.

There is an image of the Prime Minister that has stuck in my mind this week. It comes from his comments in an interview with Monica Attard which was broadcast last weekend. In it the Prime Minister made the point that he is ‘the sort of person who retains complete touch with reality’ and is even ‘at work on the lawns at Kirribilli every weekend’. To test his assertion, Ms Attard asked the Prime Minister to name the movie he saw when he last went to the flicks. He enthusiastically shot back that the movie he had last seen at the flicks was *Four Weddings and a Funeral*—a movie which, I seem to remember, was released a decade ago. As I thought about why the Prime Minister would identify with that movie, the image of its final scene came to mind—the famous romantic scene in which Hugh Grant, as Charles, is finally brought together with his true love, Andie McDowell, as Carrie. Carrie shows up on Charles’ doorstep, amidst the thunder, lightning and torrential downpour. As the two embrace and are getting completely soaked in the downpour, and as the lightning flashes and the thunder roars, Hugh suggests that maybe they should get out of the rain. As Carrie gazes into Charles’s eyes, she mutters those memorable words which bring to mind the Prime Minister: ‘Is it still raining? I hadn’t noticed.’
In case the Prime Minister had not noticed, 140 nations have signed the Kyoto protocol—ratified it—but Australia is left outside. We are left on the outside with a Prime Minister whose backward looking vision is of an Australia which bears the black mark of being the nation that belches out more greenhouse gases per head of population than any other but will not sign up to Kyoto, even though they gave us comfort, and is left out of the enormous opportunities available to countries that have ratified Kyoto—the economic opportunities created by carbon trading and the growth of tomorrow’s industries based around low-carbon, efficient and renewable energy technologies.

Why has the government done this when the evidence is so overwhelming? One answer comes to mind, based on patterns of past behaviour. There is one thing that might yet change the Prime Minister’s mind. What has changed between 1997, when the Prime Minister was gushing his enthusiasm for Kyoto, and today, when he derides it? It is not the science; it is more convincing now than it was then. It is not the level of world support; it is more overwhelming now. It is not the urgency; it has become more pressing. It is not the emergence of an alternative plan; Kyoto is the only game in town. The only thing that happened is the US changed its position during that period. That is the one thing that has changed since 1997—just one thing. Beyond all doubt, and despite the Prime Minister’s blustering words, if the US changed its position back again, supporting Kyoto, the ink would not be dry on the US signature before the Prime Minister would have ratified the protocol. That is the only change. It is an extraordinary position to get into, because I honestly do not feel that the United States would think anything of it if the Prime Minister ratified this agreement. It has not worried them that Blair has signed. It has not worried them that other allies and friends of the United States have signed it. Those countries regard it as their own business; they are not there to be influenced or bullied by the United States.

It does the US alliance no good, and it does no good to the reputation of people in this country who are seriously worried about the impacts of global change and the loss of business opportunities that flow from this to have it believed in the community that the only thing that caused the Prime Minister to change his mind was not the economic argument—because we know that he rejected that and signed up to the targets anyway—but the relationship with the US. And it is a criterion in the relationship about which the US makes no demands at all. You will not go further in undermining the alliance and the good regard of young Australians, who are seriously seized with this, than if you let them think for one minute that your position has somehow or other been a product of trying to align yourself with the United States on this position. This is a moment in time which Australia cannot afford to miss. This is a moment in time when Australian workers cannot afford to see a government exclude them from the employment opportunities. This is a moment in time when Australian business demands a government response, but the government will not make it. (Time expired)

Mr IAN MACFARLANE (Groom—Minister for Industry, Tourism and Resources) (3.15 p.m.)—The Leader of the Opposition is well known for charging into the future without knowing what is going to happen. In terms of the next phase, he and those who sit opposite have absolutely no idea what Kyoto 2 holds in store—not only for the rest of the world but, more particularly, for Australia. One thing is for sure: the Leader of the Opposition hopes it will be bad. Just as he hoped that the introduction of the GST would be bad for Australia, he
hopes that our failure to ratify Kyoto will be bad for Australia.

I did not think I would ever sit in this House and hear the leader of the Labor Party promote the importance of the Sydney Futures Exchange—men in suits gambling on where futures contracts will go—in front of the hardworking men and women of Australia’s resource and industry sector, but he has. The Leader of the Opposition’s only suggestion of where jobs might come from under Kyoto is with futures exchange merchants. It is a disgrace. I never thought I would see anyone who aspired to be the leader of this country put the jobs of a few people in futures exchanges ahead of the risk of higher electricity and petrol prices for the families of Australia and lower GDP growth in Australia. That is what will come if we rely on Kyoto. Australia’s decision not to ratify Kyoto will see us continue to deal with the important issues of emissions, including global emissions, in a practical way that produces results.

Kyoto at its best will only produce one fifth of the result it originally predicted in 1997. That is a result that will have little or no impact on global emissions in the years ahead. The Leader of the Opposition speculates that Australia will be hotter and drier—and probably wetter and cooler at the same time! We have seen all those meteorological phenomena in the last 12 months. As someone who has been closer to nature and relied more on nature for his income than the Leader of the Opposition ever has, I can tell him that he should go into weather forecasting because there are thousands of farmers who will sign up if he is accurate. If he can predict the future weather of Australia he should get to it; he is wasted here leading the opposition—and perhaps that underlies a bigger issue.

For every two scientists who argue that there is a connection between global emissions and global warming there is another scientist who will argue the opposite. The Leader of the Opposition says that the Kyoto protocol is the only show in town. He must have had his head under a doona for a very long time because the real gains in reducing greenhouse gas emissions are coming from better technology, greater awareness of energy efficiencies and the determination of the industries of this nation to bring about real change.

It has been an amazing day. Not only have I seen the workers of Australia abandoned by the Leader of Opposition in favour of futures players but I have seen a party which claims to represent the sons of the Eureka Stockade bow down to a European policy. We have seen the Labor Party accept a protocol designed in Europe for the benefit of Europe and to the detriment of Australia.

**Mr Albanese**—Where is Kyoto?

**Mr IAN MACFARLANE**—The member for Grayndler displays his absolute ignorance of which countries have signed up to the Kyoto protocol and, more importantly, which countries are actually committed to greenhouse gas reduction—and, even more importantly than that, which countries will achieve it. Perhaps we should not be surprised at the Labor Party because the only recycling that they can do with any effect is of old policies and old leaders—and they do it pretty regularly. We are probably going to see noodle nation again. That was a policy that lived and died in the space of four or five days. I guess that will be an issue for the Minister for Education, Science and Training to deal with. I am just going to deal with the issue of the Kyoto protocol.

When you have a policy vacuum like the Labor Party’s, seeing an off-the-shelf policy like the Kyoto protocol that you can grab and
wed to is a godsend. The Labor Party is quite happy to pull a shambles off the shelf, embrace it and say, ‘This is the answer to everything.’ I think more than one commentator has said this week that Kyoto was stillborn. We have not seen anything from Kyoto which will, in any significant way, address the issues of climate change and yet climate change under a Kyoto protocol has been elevated by the Leader of the Opposition this week to code red—the highest importance, up there with terrorism. I suggest that the Leader of the Opposition gets out and has a look to see what is going on around him.

There are a whole range of views on how we should address greenhouse gas emissions but there is one constant thread that I have seen in a number of countries. It was highlighted recently in an article by Rosemary Righter, on the United Kingdom web site Times Online. The article goes through a range of scientific theories about global warming and Rosemary then goes on to point out:

It would be the flattest of truisms were it not that on global warming, government policy is increasingly driven by alarmist scenarios about the world in 2100 that make long-range weather forecasting look rock solid by comparison.

Where have we seen that somewhere locally? We have seen it here in the Labor Party. Rather than embrace real outcomes, rather than get involved in policies that will actually deliver lower greenhouse gas emissions to Australia, the Labor Party engages in policies of alarmism and in scenarios about the world in 2100.

There has been some discussion today about global warming, and it is worth while seeing a chart that goes back 400,000 years and points out that the sorts of variations in global temperatures that we are seeing now were repeated 150,000 years ago, 250,000 years ago and almost 350,000 years ago. Perhaps some people on the other side were around then; perhaps they were the ones rubbing the sticks together. I table that document.

Twice rejected by the people for his policies, which just do not make sense, the Leader of the Opposition has come forward, embracing a policy on Kyoto and claiming to be a climate expert, just as he claimed to be an expert on Collins class submarines. Can the Leader of the Opposition say for sure that human behaviour is behind global warming, and can he indicate how? I very much doubt it. Can the Leader of the Opposition say for certain how much the global temperature will rise and how that will affect our planet? I very much doubt it. Faced with the reality, the Leader of the Opposition and the member for Grayndler have been out there headline hunting, employing the language of the catastrophic and pretending that Kyoto is the panacea to that which troubles them so. Never have we seen such a disingenuous policy or such an attempt to mislead the people of Australia by fear; they do not use science. Let us see what some of the commentary in today’s papers puts forward. An article in today’s Australian says that Kyoto is a ‘pointless exercise’. The article states:

It will do next to nothing to lower the rate of global emissions of greenhouse gas and provides no workable framework for future action. By 2012, when ratifying countries’ commitments under Kyoto to cut CO₂ emissions expire, we will find key countries have failed to comply and global emissions will be rising steadily as a result of world growth.

Never a truer word was spoken. Already we see that Italy, one of the countries in Europe that did ratify, has stated publicly that it will not be part of Kyoto 2. The article goes on:

Urging Australians to make the Protocol their Valentine comes close to advocating national necrophilia. Kyoto has been a corpse since December.
Truer words were never spoken. The article further states:

Attempts to turn every unusual weather event into confirmation of these forecasts by climate change propagandists and politicians, from England’s Tony Blair to Australia’s Beazley, should be seen for what they are—either misinformed or fraudulent.

What we are seeing here is a deliberate attempt, a desperate attempt, to get onto the agenda map and show that they actually have policies by grasping a policy that is completely flawed. I see that the Leader of the Opposition was keen to quote the Sydney Morning Herald today. Let me quote an article from today’s Sydney Morning Herald:

... it—

‘it’ being Kyoto—

relies on short-term emission-reduction targets for just 34 industrialised countries—

34 countries! I think when I last looked at the UN web site there were about 191 countries in the world—

imposing high costs and jeopardising compliance, while generating only trivial climate benefits, failing to provide for the participation of developing countries and eschewing a sustainable long-term solution.

What we are seeing are continued attempts by the opposition to take the easy path to control climate change, the easy path to address greenhouse gas emissions. The ALP would much rather adopt policies made in Geneva than policies relevant to Australians. The Australian government realised a long time ago that we had to do something about addressing our greenhouse gas emissions, and we have made a $1.8 billion investment to combat greenhouse gases in Australia. As has been said repeatedly, even by the opposition today, greenhouse gas emission targets in Australia will be met. Australia is one of the few countries, perhaps one of only four countries in the world, that will meet its greenhouse gas target. Even though Australia’s economy has doubled since 1990, our greenhouse gas emissions will increase by only eight per cent, as per the target we were set.

Last year this government announced a policy package that will go a long way towards addressing greenhouse gas emissions. We announced $500 million for a low-emissions technology demonstration fund, which will attract at least a further $1 billion from industry and ensure real pilot plants will be built that can reduce greenhouse gases—not maybe, not could be, not if the Europeans agree but will reduce greenhouse gases and will be built. As well as that, there is $100 million for the renewable energy development initiative, $75 million for the solar cities trial, $20 million for the advanced electricity storage initiative, and $14 million to develop an advanced wind forecasting capacity—I think there might be a job there for the Leader of the Opposition. He seems to think he can forecast Australia’s weather better than anyone else.

Rather than arcane mandatory measures imposed by Labor, the government has supported policies and investments from companies that have seen some real reductions in greenhouse gases. For the benefit of the House, let me quote a few figures from industries that the Labor Party’s endorsement of Kyoto would drive overseas to our competitors, and from where Australian jobs would be lost. Alumina—between 1990 and 2002, greenhouse gas emissions per tonne of alumina decreased by almost 13 per cent; Aluminium—between 1990 and 2002, greenhouse gas emissions per tonne of aluminium decreased by 13 per cent; direct greenhouse gas emission from Australian aluminium smelters fell from 6.2 million tonnes of CO₂ equivalent in 1990 to 4.8 million tonnes in 2003, a 23 per cent reduc-
tion—even though production of aluminium metal in Australia had grown by 50 per cent. So we are seeing quite real results. In the paper industry there was a very significant reduction of nearly 20 per cent between 1990 and 2002. What we see are practical policies, implemented by government and industry working in cooperation to ensure the jobs of Australians are protected. *(Time expired)*

Mr ALBANESE (Grayndler) (3.30 p.m.)—What an extraordinary contribution from the Minister for Industry, Tourism and Resources to the matter of public importance debate today on the Kyoto protocol, but where is the minister who represents the Minister for the Environment and Heritage in this House? He could not even be bothered to speak on what is the most significant environmental challenge facing the global community. That says it all, when it comes to this government. The contribution of the industry minister was quite extraordinary. He spoke about a program that had been designed in Europe. Minister, there is a reason why it is called the Kyoto protocol: it was formed in Kyoto. The minister said there is a reason why only 34 industrialised countries have signed up to the Kyoto protocol. Guess what: we were one of the countries that originally signed up. The minister confuses industrialised nations with nations overall. It is quite clear why the Kyoto protocol originally had that number of signatories and why developing countries do not have to reduce their emissions in the first stage: because it is appropriate. Industrialised countries, including Australia, thought it was appropriate that we showed leadership on this issue, which is why we were an original signatory.

The minister spoke about how Australian corporations are somehow against this. Not a single Australian company has said it will move offshore if we ratify the Kyoto protocol. We know that to be the case. We also know that the first company in the world to engage in the European emissions trading system was a company called BHP Billiton—one that has a bit of history here in Australia!

The Minister for Industry, Tourism and Resources was put up in this debate on the same day he appeared in the *Sydney Morning Herald* with his head under the doona, saying:

Whether or not those emissions are causing climate change, I don’t know ... If you go back across history, millions of years, carbon-dioxide levels go up and down and global warming comes and goes. I mean, the Earth is a lot warmer than it was when the glaciers formed.

That is good, that is terrific and that is a great start. But compare those comments with the comments from the Minister for the Environment and Heritage who argues that the reason why we should not ratify this agreement is that it does not go far enough. He agrees with us—he did not before he was environment minister, but once he became environment minister he got a bit of a departmental briefing, went on *Insiders* and said global warming was the greatest issue facing the international community. Now he says:

I think we need to engage the climate sceptics—

he has done that internally—

those people who are pulling the doona up over their heads, and get past the debate over whether or not climate change is real. There is a dominance of science which does say that the massive increase in greenhouse gas emissions has contributed to human-induced climate change.

The Leader of the Opposition has pointed out the Prime Minister’s comments—his emotional excitement, getting carried away with himself and congratulating his government on 19 December 1997 for the Kyoto protocol details. Of course, what the Prime Minister did not say is that, once again, like all good things that happen in this nation, it began under Labor. At the Rio summit in 1992, the
Australian Labor government played a critical role in advancing the cause that has led to today’s historic agreement. But the Prime Minister was not alone. The Minister for Resources and Energy at the time, former senator Warwick Parer, said:

The Kyoto Protocol provides a sound basis for protecting Australia’s export competitiveness and employment prospects in our minerals processing and energy export industries ...

The Deputy Prime Minister, who was then Minister for Primary Industries and Energy, said:

... the Kyoto agreement permitting Australia an 8% increase in emissions of 6 greenhouse gases by 2012 over 1990 levels will preserve the interests of farmers, miners, manufacturing industry and the economy in general.

Critical to the point the Leader of the Opposition makes regarding the future are the words of the then Minister for the Environment and Heritage, Senator Hill. Senator Hill—*Hansard*, 23 November 1999—said:

... Australia, although accepting a demanding target at Kyoto, nevertheless got a fair target, and it is unlikely that any alternative international negotiation that could potentially subsume Kyoto in the future would give to Australia an opportunity that is as fair as we were able to negotiate in Kyoto.

Game, set and match. This is not just about what happens today but about what happens in 2012. The irony is that it is absolutely in Australia’s national interest. It is in our economic interest, the interest of our employment and the interest of our environment that we ratify this protocol. We live in the driest continent on earth and are particularly vulnerable to climate change. We all live around the coast and we saw what happened recently with the tsunami in Asia. That was a tragic event—an event which we could do nothing to avoid. This crisis is looming. It will create environmental refugees and see nations, such as the Maldives and Tuvalu, literally disappear. It will see one-sixth of Bangladesh disappear and 30 million people in India displaced.

Mr Snowdon—As well as the Cocos Islands.

Mr ALBANESE—As well as the Cocos (Keeling) Islands, which are part of our territory. It will see salt water flood Kakadu. As well, there will be an increase in the impacts we see already—the decrease in rainfall in Western Australia, the increase in the number of droughts in New South Wales and the coral bleaching in the Great Barrier Reef.

We are particularly vulnerable, but we are also in a unique situation to take advantage of economic opportunities. The clean development mechanism projects are how we get the developing countries to be part of this. Yes, they do not have to reduce their targets, but we receive a carbon credit—an economic one-off bonus—if we invest in renewables in developing countries.

What is frightening is that China is actually doing a bit better than we are in this area. If you exclude the decisions of the New South Wales and Queensland Labor governments to stem land clearing, then our emissions are a disaster, whether in industry or transport. An Australian Greenhouse Office report—the same report that in December last year said we will meet the 108 per cent target—projected that there would be a 23 per cent increase in emissions by Australia up to the year 2020. The irony is that by not being a part of the agreement it is actually twice as expensive to meet our target, because you forsake the economic gain. It is absolutely extraordinary that the government boasts that it will meet the target but does not want the opportunity that comes with it—the carrot and stick approach: it wants the stick but it is not prepared to take the carrot of those economic opportunities.
The great tragedy is that this will be a driving force in 21st century economic development. This is not something that is going to grow slowly; this is something that will grow exponentially. I have heard comments from government ministers today, ‘The carbon-trading market hasn’t exploded yet; it is not worth billions yet.’ It is day one. The agreement just began. It is quite clear that the smart companies in Australia—the Commonwealth Bank and Bayard Capital—and organisations such as Sydney Futures Exchange are positioning themselves. That is why companies such as Shell and BP are positioning themselves. They have internal emissions trading markets. Saudi Arabia has ratified the agreement. They know what the future is, and so should we. It does not make economic sense for Australia, it does not make sense in terms of Australia’s employment opportunities and it certainly does not make sense for Australia’s environment. The Prime Minister reversed his position on 5 June 2002. Does anyone think if the US ratified the protocol that we would not? (Time expired)

Mr ROBB (Goldstein) (3.40 p.m.)—Despite all the huffing and puffing on the other side of the House, and we just heard more of it from the member for Grayndler, despite the fact that the opposition actually proposed this MPI and despite the fact that they presented a private member’s bill earlier this week, in many respects this is a nondebate. There is no debate if there is only one side making a case. Over the past few days, as this greenhouse issue has been discussed, only one side has made a serious attempt to address the issues, only one side has a clearly articulated plan, only one side has made the effort to weigh the costs and benefits for Australia, only one side is working with the facts and only one side is putting forward a substantiated, argued case—the Howard government.

I have read all the speeches given in this House by Labor members over the last few days. I have heard more of them today in this House. Without exception, they all boil down to pages and pages and pages of ideology and simplistic rhetoric. All of this is against a background of a constant refrain, a slogan or a mantra: ‘Sign the Kyoto protocol’. It is all you hear when you turn on the news. It is all you hear in the House from the opposition—a mantra: ‘Sign the Kyoto protocol’.

I have looked for substantive arguments against which I could judge the steps the government has taken over several years to address greenhouse gas emissions. There is nothing. It is as though every Labor speech simply ignores the raft of initiatives that Australia has in place and has undertaken. For instance, the Labor Party makes no substantive comment on Australia’s remarkable achievement of meeting its target of no more than eight per cent above 1990 emission levels at a time—you have not heard this mentioned once in this House by the opposition—when the size of Australia’s economy has virtually doubled. It has required a massive increase in energy to drive that growth.

Labor has not spent one second wondering how it is that Australia has delivered on its greenhouse targets, yet all the major countries making the argument to sign the protocol are falling well short: France, 10 per cent shortfall; the Netherlands, 12 per cent shortfall; Germany, 1.3 per cent shortfall; Italy, 10 per cent shortfall; Spain, 33 per cent shortfall. The opposition has had the opportunity to wonder about these things: ‘What is the motive behind these countries pushing so hard for others to sign when they in fact are falling well short?’

The Labor Party makes no comment on the fact that the Kyoto protocol will at best deliver about a one per cent reduction in global greenhouse emissions. Everyone ac-
knowledges that, while the experts agree that what is required is a 50 to 60 per cent reduction in emissions. Surely this huge gap warrants some consideration and some discussion—especially by the party that is introducing these debates to the House.

We know the US, China and India have a longstanding resistance to binding targets. If there is no global consensus on achieving a one per cent cut, surely the prospect of the Kyoto protocol and all that goes on behind it, leading to cuts of 50 to 60 per cent, warrants some consideration and some deliberation. But what do we get from the opposition? Just the mantra: ’Sign the Kyoto protocol’. In a similar vein, the Labor Party makes no comment on how we meet the increasing energy needs of the world yet put less greenhouse gases into the atmosphere. Signing the protocol delivers a one per cent reduction, and even that must be in doubt when you consider this morning’s press where we read that the Brits are back-pedalling furiously, with Tony Blair proposing that British industry produce about 20 million tonnes more carbon dioxide than the limits they had agreed to.

How does the Kyoto protocol sit with the legitimate world expectations about solving world poverty? Again we have heard none of that. The Labor Party make no comment on Australia’s existing commitment to renewable energy. It is as though we have done nothing. We have a world-leading renewable energy target, we have a historic $75 million solar cities program and there is a $1.7 billion domestic investment in our climate change strategy. They are part of a comprehensive plan—no mention of it. Even if they disagree with it, we should understand why in their view it makes no contribution. They just walk through it, ignore it and go on with the mantra.

The Labor Party are silent on the way an emissions trading scheme would affect electricity prices for Australian families. Given every opportunity today, there is not a mention of it. They are also silent on how that scheme would stop in its tracks energy investment in Australia. No mention is made by the opposition of the $8 per tonne price of CO₂ in the fledgling European emissions trading market and the impact that would have on new energy intensive investments in Australia, including new electricity generating capacity, a critical issue for all Australians. Effectively, the carbon-trading scheme is a tax. At the moment it is an $8 a tonne CO₂ tax. That is why Hydro Aluminium, a European company, recently signed a heads of agreement to develop one of the world’s largest aluminium plants in Qatar at the same time that they were preparing to phase out their aluminium plants in Norway and review their plant in Germany in order to meet the cost of future emission targets. This means that energy intensive projects are already starting to move out of Kyoto countries into non-Kyoto countries.

This fledgling market has hardly started, yet serious investment is moving out of Kyoto countries into non-Kyoto countries. We were told this would not happen. We were told that this scheme would not threaten the lives and livelihoods of Australians, would not increase electricity prices and would not see investment leave this country, but we already have evidence in Europe that it is taking place. We have China and India on our doorstep, amongst the biggest emitters of greenhouse gases in the world, eager to grab energy intensive investments from Australia. That will mean higher electricity prices for families. That will also mean a loss of jobs and a loss of energy intensive projects like paper, aluminium, electricity generation, coal and other such projects.
The Labor Party engages in no way on the scientific debate that underpins the Kyoto protocol, other than to pour scorn over anyone who seeks to be satisfied on the modelling and the science that underpins the Kyoto protocol, a protocol which will cost trillions of dollars to implement. Choking off debate, as it has, only invites community suspicion. The Labor Party makes no comment on the fact that Australia’s prosperity has been and continues to be built on an abundance of cheap energy sources. That is our past; that is our future. That is what has given us a competitive edge in this country. That has given us the living standards that we all enjoy. The living standards that we take for granted would be seriously compromised if investment in those traditional energy sources were discouraged.

This matter of public importance is little more than a stunt. The Labor Party’s contribution to the debate has been largely to peddle fear and chant a slogan. Labor have a slogan; we have a policy. Those on the other side of the House are like one giant yoga class with everyone chanting their mantra: ‘Sign the Kyoto protocol’. It is like a cult following. They are all in another space. They are certainly not in this debate. There is no attempt to argue the substantive issues. There is no attempt to put together a detailed plan. Labor have simply not done the work on this issue and they are trying to play politics, cynically playing on the legitimate community concerns about climate change.

It is symptomatic of the Labor approach to so many policy areas. They have not done the hard policy work for nine years, yet they wonder why they are still in opposition. I can remember noodle nation and the gold card. That is about all that they have produced in nine years, and they wonder why they are sitting over there in opposition. Labor’s contribution is a lazy stunt. But it is also a dangerous stunt because it creates a moral hazard for our nation. If they keep banging on with this mantra, more Australians will think that all we have to do is sign the protocol when what we have to do is to continue the hard work—the deliberate work, the exhaustive work—that this government has done to put in place a plan to reduce greenhouse gases in this country and around the world.

(Time expired)

The DEPUTY SPEAKER (Hon. I.R. Causley)—Order! The discussion is concluded.

COMMITTEES
Privileges Committee
Report
Mr CAMERON THOMPSON (Blair)
(3.50 p.m.)—I present the report of the Committee of Privileges concerning the alleged threats to Mr Latham MP and Mr Murphy MP.

Ordered that the report be made a parliamentary paper.

Mr CAMERON THOMPSON—by leave—In presenting this report, I want to thank the officers of the committee, David Elder, Claressa Surtees and Laura Gillies. I want to thank the Clerk of the House, Ian Harris, for his advice, which is contained in appendix C to the report. I also particularly want to thank the members of the committee, who cooperated effectively to produce quickly and efficiently a response to the reference we received from the House of Representatives.

I would also like to make some remarks. The conclusions we have published help to clarify the implications of section 4 of the Parliamentary Privileges Act 1987. In his advice to the committee on this matter, the Clerk, Mr Harris, referred to section 4 and wrote that the closest precedent of which he was aware was the Browne-Fitzpatrick case of 1955. The nature of this case—the ex-
tremes of behaviour it entailed together with the subsequent jailing of Fitzpatrick and Browne—gave the committee pause to reflect very carefully on the circumstances of this case and to take great care in presenting our conclusions. While the committee agreed unanimously that there was no breach of privilege, we have included remarks that place the circumstances of the case in context with the robust relationship between journalists and members of this House. We have included a cautionary warning to the media to be conscious in their exchanges with MPs not to allow there to be an appearance that they may wish to influence members by any means in the free performance of their duties as members.

Public Works Committee

Reference

Dr STONE (Murray—Parliamentary Secretary to the Minister for Finance and Administration (3.52 p.m.)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Proposed mid-life upgrade of existing Chancery building for the Australian High Commission, Singapore.

The Department of Foreign Affairs and Trade proposes a comprehensive mid-life upgrade and refurbishment of the existing chancery of the Australian High Commission in Singapore to modernise the facility and ensure full compliance with current Australian and Singapore building codes. The Commonwealth leased the site for the chancery for a period of 99 years in April 1974, and the building was completed and first occupied in 1977. Apart from a refurbishment of the building’s facade in 1994 and the progressive replacement of some plant, no major architectural or services refurbishment has been undertaken on the building.

A key objective of the refurbishment is the consolidation of accommodation requirements. Since the building was first occupied, the numbers of staff—both Australia based and locally engaged—have been reduced, reflecting changes in office practices and efficiencies. The current configuration of offices and services is therefore no longer required. Some areas of the building are currently vacant or inefficiently configured. The refurbishment will provide for a consolidation of current vacant areas into one floor, which will be available for any future requirements. New office fit-outs for tenant agencies will be undertaken concurrently with the mid-life upgrade of the building to create safe, flexible and efficient work spaces.

Many of the existing building’s services are more than 25 years old and have reached the end of their useful and economic life. Their replacement is required to ensure that major plant breakdowns do not occur. The project also includes, within a fenced compound: full support services—emergency power, potable water and firefighting; staff recreation areas; a controlled access car parking area; and fully landscaped surrounds. The estimated cost of the new proposal is $12.7 million. Subject to parliamentary approval, these works are planned to commence in March 2006 and to be completed in the first half of 2007. I commend the motion to the House.

Question agreed to.

Public Works Committee

Approval of Work

Dr STONE (Murray—Parliamentary Secretary to the Minister for Finance and Administration (3.55 p.m.)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, and by reason of the urgent nature of the work, it is expedient that the following proposed work be carried out
without having been referred to the Parliamentary Standing Committee on Public Works: Construction and refurbishment works on a building to serve as a new Chancery for the Australian Embassy in Baghdad, Iraq.

The Department of Foreign Affairs and Trade is undertaking urgent construction and refurbishment works on a building to serve as the new chancery. The work involves the conversion of an existing leased building located in the international zone. The base cost for fit-out and ancillary works on the project is approximately $4 million.

Reviews of chancery security carried out by the Department of Foreign Affairs and Trade have led to a continuing re-assessment of construction requirements, with consequent increases in cost. Security costs, including costs of providing blast protection—judged critically important to ensure effective operation of the post and staff and visitor safety—are currently assessed at $9 million. The current cost of the project will therefore exceed the $6 million threshold for reference of the project to the Public Works Committee.

The project is being managed in a uniquely dangerous environment. It is not a normal project. Threats to contractors and workers on all such projects in Baghdad are frequent. The site is commonly exposed to indirect rocket and mortar fire. The early completion and occupation of the new chancery will enable the embassy to relocate to the international zone and to carry out its functions in a building constructed to the required security standards. The current construction schedule envisages completion and occupation of the building in July 2005.

The Minister for Foreign Affairs has advised that the effective functioning of the embassy and the security and safety of staff and visitors depend on the earliest possible completion of this project. In these circumstances, he has requested that the parliament be asked to agree to an exemption of this project from formal consideration by the Public Works Committee. The committee has advised the Department of Foreign Affairs and Trade that it concurs in its assessment that these works are a matter of considerable urgency. The committee has indicated that it will accept the Department of Foreign Affairs and Trade’s offer of a private briefing on the details of the project. This briefing will be arranged with the committee as soon as possible. I commend the motion to the House.

Question agreed to.

Public Works Committee
Approval of Work

Dr STONE (Murray—Parliamentary Secretary to the Minister for Finance and Administration (3.58 p.m.)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, and by reason of the urgent nature of the work, it is expedient that the following proposed work be carried out without having been referred to the Parliamentary Standing Committee on Public Works: Repairs to, and urgent security upgrade of, the Australian Embassy in Jakarta, Indonesia.

The Department of Foreign Affairs and Trade proposes to undertake urgent construction work at the Australian Embassy in Jakarta to complete repairs of bomb damage and to meet current urgent security requirements in order to ensure the physical safety of embassy staff and visitors following damage to the building in a car bomb attack on 9 September 2004.

The government has decided that, given the urgent need, it is not feasible to refer these works to the Public Works Committee. A proposal to proceed with a construction project without referral to the Public Works Committee is not common, because the government supports and endorses the role of the committee and appreciates the value that it
adds to projects. However, there are some instances where referral to the committee is not feasible. The previous motion was also one of these.

In the present case, the works have a high degree of urgency. Following the incident on 9 September last year, emergency recommissioning works were completed to restore the building’s integrity and enable the provision of normal embassy services. Additional works are now required to complete damage repairs and meet current urgent security requirements as quickly as possible. Design work has been completed and tendered work should begin as a matter of priority. The estimated cost of construction of this project is $11.64 million. Subject to parliamentary approval, these works are planned to commence this month, with completion in November this year. I commend the motion to the House.

Question agreed to.

TAX LAWS AMENDMENT (2005 MEASURES No. 1) BILL 2005

Second Reading

Debate resumed.

The DEPUTY SPEAKER (Hon. I.R. Causley)—The original question was that this bill be now read a second time. To this the honourable member for Hunter 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.

Ms CORCORAN (Isaacs) (4.00 p.m.)—Before I was interrupted by question time, I had started to talk about the Howard government’s recognition of problems with mature age unemployment and the establishment of a Prime Minister’s community business partnerships committee. The committee’s draft report, leaked to the Australian Financial Review in October 2004, offered 36 recommendations or matters for consideration. Not one of these recommendations suggested a tax offset for mature age workers.

According to the Financial Review, the recommendations included boosting training opportunities for mature age workers and raising awareness of work force implications of the ageing population. At the time of the tax offset announcement, the Prime Minister indicated that there would be further announcements addressing the partnerships committee’s approach. To date, no such announcements have been made.

What all this boils down to is this: a tax offset is very nice and no-one is going to knock it back, but it is not going to address the problem of getting older workers back into the work force. After all, by definition, a tax offset will be enjoyed by those already in the work force. This tax offset was all about buying votes in the election last year; it was not about helping those out of work to get back into the work force. I will concede that it might encourage some people who are thinking about leaving work to stay a bit longer, but that is questionable. It is worth noting, too, that this vote buying exercise, when promised last year, was costed at $1.04 billion; it is now estimated to cost $1.44 billion.

In stark contrast to this flimsy attempt to help older unemployed people is the ALP’s policy. Our policy proposed a number of measures that were carefully designed to tackle the underlying reasons behind low work force participation among mature age workers. These included a number of things: establishing mature age career centres to assist mature age Australians get back to work; providing rapid assistance for workers who are displaced or about to be displaced due to large-scale or regional retrenchment; estab-
lishing a training partnerships fund to encourage employers to retrain and reskill mature age employees; earmarking 2,500 new TAFE places each year for Australians over 45 years old; developing new procedures for formally recognising the skills and experience of mature age Australians when they attain new qualifications; funding an additional 500 new places in the New Enterprise Incentive Scheme earmarked for mature age job seekers who do not receive income support; providing a $2,000 learning bonus to mature age job seekers who take up an apprenticeship or traineeship in an area of skill shortage; deploying 125 mature age workplace trainers in key industries to develop and implement workplace training plans; implementing community programs to improve adult literacy levels; supporting mature age workers to undertake nationally accredited training in information technology; and establishing Job Network providers that specialise in assisting mature age job seekers.

Unlike the government’s policy, Labor’s policy addresses a range of factors and problems that contribute to mature age unemployment and low mature age workforce participation.

In summary, this proposal for an expensive tax offset is all about buying votes. After all, last year many older people missed out on the tax breaks given to those on the top tax rates and on the benefits made available to families. The government had to do something to pacify this group of voters. If the government is serious about helping older people back into the workforce, it should listen to its own committee and to the policies put forward by the Australian Labor Party, both of which have strategies for tackling the cause of this problem.

Mr MARTIN FERGUSON (Batman) (4.04 p.m.)—I rise this afternoon to speak specifically on schedule 3 of the Tax Laws Amendment (2005 Measures No. 1) Bill 2005 and to make some broader comments about the issue of certain members of the legal profession fronting up to their tax responsibilities. At the outset, I would like to deal with the issue of tourism. This bill brings tourism goods and services to be consumed in Australia but purchased from foreign tour operators into the GST net. It is an important industry, as we all appreciate and, therefore, it is essential that we do what is necessary to get tax and regulatory reform right. Tourism creates 8.3 per cent of the nation’s GDP, which is about $60 million. It is exceptionally important to a number of significant regions of Australia where it is more than ever the engine room of jobs growth. Tourism is an employer of around 550,000 Australians, many of them in regional Australia, and it generates $17 million in export earnings each year.

Tourism is also a robust industry. It has had to tackle a number of challenges in recent years, including the collapse of Ansett, the impact of the unfortunate terrorist event in Bali and, in more recent times, the impact of SARS and a variety of domestic and international challenges. It has survived those challenges; it has proven its robust nature in terms of its export earnings for Australia and as a generator of employment. But that does not take away from the fact that the introduction of the GST also presented a serious challenge to the tourism industry. The record shows that the GST had a detrimental effect on domestic tourism, effectively adding 10 per cent to the cost of taking a holiday in Australia. Unlike other discretionary items such as white goods, tourism did not benefit from the removal of sales tax. The tourism industry has been hard hit on many fronts in the 21st century, as I have touched on, with the GST, the collapse of Ansett, the SARS virus and heightened fears of terrorism and global instability.

This afternoon I raise another important issue: the issue of skills. I have said on nu-
merous other occasions that it is imperative that this government recognises and addresses the fact that skills shortages are constraining the Australian economy in many areas. Tourism is just one example; it is also the case with the building and construction industry and the resources and energy industry. You name it and we have serious problems in relation to our capacity to service the needs of industry at this point because of the shortage of skills not only at the trade level but also at the tertiary education level.

I think it is fair to suggest that, whilst parts of the industry excel in long-term career development, in hospitality and tourism the sector continues to rely heavily on workers for whom the job is a temporary or short-term arrangement while they are studying, raising families or waiting to take up other vocational opportunities. The continual cost of training and retraining in the industry undermines productivity and profitability just as the continual loss of skills undermines service and quality levels. Long-term career development pathways are essential to attract a new workforce to the sector—one that is passionate about hospitality and tourism and dedicated to excellence in every respect.

The opposition went to the last election promising to create 36,000 new vocational education and training places each year and to pay TAFE fees for secondary students who wanted to get a vocational qualification to address this skills shortage. The opposition also pledged to assist tourism businesses to retain skilled staff by converting the Howard government’s one-off baby bonus into a proper system of paid maternity leave to help small tourism businesses keep their highly trained female workforce. There is no more pressing area of government neglect than the underinvestment in TAFE and vocational education and training. Getting this sector operating effectively and efficiently—which also goes to the nature of the tax system—properly funding our already world-class TAFE system and getting the private sector to play its part in funding and providing training for the work force are crucial to the nation’s future prosperity.

That takes me back to the provisions of schedule 3 and the need to get this tax measure right for industry so as to ensure that we do not impede any further growth in the industry’s capacity. We must go out of our way to ensure that we do not create further problems for the industry. The opposition therefore acknowledges that, whilst the schedule seeks to close a loophole that effectively allows a package of tourism services to be constructed GST free for foreign tourists, its design raises a number of technical issues which need proper consideration by the government. In particular, the industry advises that there is no transitional period to enable affected operators to adjust pricing to account for the imposition of the tax. Further, there is no recognition that operators will be unable to recover the tax in the period between the bill being introduced and its receiving royal assent.

The industry has also advised that there are multiple technical complexities arising from the proposed tax law, particularly the complexity of valuation that is facing operators. For example, foreign operators supply mixed goods and services, of which some are taxable, some are GST free, some are subject to input tax and some are out of the scope of tax law. They may be dealing also in multiple currencies, so that the ratio for computing tax on mixed supplies changes every day. It can therefore be suggested that for each tourist on a tour package the actual taxable component could be different because each one will come from different options with different taxable components. These issues are a headache for small business.
All of these issues, we believe, could have been addressed had this government consulted with the industry in the first place. Good policy actually comes from widespread consultation. Instead, a very significant provider of Australian tourism services and one which we rely on heavily to market Australian tourism and spread the word about Australia as a first-class tourist destination—that is, foreign tour operators—has been ignored by this government and treated poorly. This is the last thing the industry needs coming off the back of the government’s spectacular failure with the Brand Australia campaign.

I believe that the Australian tourism industry needs and deserves better from this government. Good international marketing is critical to the continuing success of Australian tourism. It is critical to export growth and it is critical to job growth in Australia, which is exceptionally important not only in our major capital cities but also in key regional areas. So too are our relationships with those in the supply chain who make it all happen. I refer, for example, to foreign tourism operators who sell our wares and package Australia for foreign tourists. While the government has been crowing about international visitor figures, it is very clear that these figures are being held up by New Zealand.

In other key markets, alternatively, we are not doing as well as we should be in terms of export growth. That is why the opposition will be seeking to refer this bill to a Senate legislation committee—to allow the industry’s voice to be heard. It is not too late to make sure that, in the final consideration of the tax measures before the House and through proper consultation with the other place, we enable the tourism industry to make the points to the government that it should seriously attend to in trying to get these tax measures right.

That takes me to other serious tax issues which are causing me and many in this community some concern at the moment. I think it is fair to say that all hardworking Australians accept that there is a requirement to pay tax, and they also expect that every Australian pulls his or her weight when it comes to fronting up to their responsibilities with respect to the issue of taxation. I specifically refer to the ongoing concerns with respect to the tax-shy legal community. It is a major problem to the Australian Taxation Office and one that has especially been rearing its head in the media in more recent weeks. I suggest to the House that there is unfortunately a certain degree of arrogance amongst some members of the legal fraternity about their tax obligations which I believe is un-Australian. Worse, it is also now clear from the recent reports that not only does this arrogance exist amongst barristers and solicitors, it has also unfortunately spread to the judicial system. It seems that, for some, the practices that they developed at the bar, be it as barristers or solicitors, have gone with them in their judicial appointments. Obviously this is a major tax problem for the Australian community, and I contend that it is an issue that is capable of being discussed in terms of the bill currently before the House because it goes to tax issues and the need for the Australian community to plug any loopholes in the system.

For that reason I refer to the recent Commissioner of Taxation reports of 2002-03 and 2003-04. Firstly, with respect to the Commissioner of Taxation’s report of 2002-03, I note that there has now been an endeavour by the commissioner to ensure that solicitors and barristers throughout Australia are held responsible and that they improve compliance so as to ensure that they, like the great majority of Australians, actually pay their way when it comes to meeting their tax obligations. Unfortunately, the report also notes
at page 172 that there is still a small group of individuals who will lodge only after they have been served formal lodgment demand notices. It also notes that it is now a requirement of the Commissioner of Taxation in carrying out his responsibilities to make sure that something is done to seriously consider whether in the future we deny some of these individuals the extended lodgment period available when using tax agents to prepare their returns. Worse still—and this is a very serious issue in the context of the bill before the House—the report notes that the current level of debt for barristers nationally is $51.6 million. At least it is down from $57 million over the previous four months, so at least some progress is being made in terms of the 2002-03 report.

That in turn takes me to the Commissioner of Taxation’s report of 2003-04. It notes at page 157 that the commissioner:

... has noted some positive changes in the attitudes and behaviour of barristers and solicitors towards meeting their tax obligations.

It also refers to the fact that the Commissioner of Taxation is now working with the legal fraternity to try to get through to them that, as people responsible for promoting an adherence to the laws of the land, they have to accept that there is a certain code of practice or standard expected of them in terms of meeting their tax obligations. What disturbs me in this report is that the debt for barristers nationally is $65 million, up from the $51.6 million in the previous year. This increase is attributed to a rise in disputed debt, and approximately $48 million, or 74 per cent, relates to debts of more than $100,000. The debt for solicitors nationally is noted at $180.4 million, with $122.4 million or 67.8 per cent related to solicitors with debts of more than $100,000, or 6.7 per cent of cases.

I raise these issues because I think it is very important that when we deal with serious tax issues we also use these opportunities to remind those in the community who believe they are above the law about their responsibilities and obligations to the Australian community. Highest amongst those responsibilities, I believe, are the barristers and the solicitors who are given the responsibility of seeking to maintain respect for and adherence to the law, and also the judges who enjoy certain privileges in the Australian community as they are required to adjudicate on the application of law including tax law. I am therefore disturbed to read in recent reports that a number of judges have been unwilling to meet their responsibilities.

The DEPUTY SPEAKER (Hon. I.R. Causley)—I hate to interrupt the member for Batman but the bill is a fairly narrow bill. I do not wish to restrict debate in the House but I think there may be other forms of the House where he could put his views into the Hansard.

Mr MARTIN FERGUSON—Mr Deputy Speaker, whilst the bill is narrow it also refers to encouraging some people—mature-age workers—to work over a longer period. If we strictly apply the law, then some of these judges, barristers and solicitors might have to take up some of these provisions to meet their tax obligations.

The DEPUTY SPEAKER—I have no doubt that it has to do with taxation but I think it is probably not to do with the bill, and I would ask the member to come back to the bill.

Mr MARTIN FERGUSON—Mr Deputy Speaker, I am seeking to deal with the intent of the bill, which is clearly about guaranteeing that all of us pull our weight in terms of taxation. Therefore I think it is important that I bring to the attention of the House the failure of some members of the legal fraternity to meet the intent of the legislation currently before the chair and the endeavours of the
government, as reflected in the bill, to guarantee that people meet their responsibilities. I am also aware of the provisions of the standing orders not to reflect on any individual judge, nor have I and nor will I, because I am seeking to reflect on the performance of a range of judges without specifically referring to them by name or the nature of their appointment.

I think we have to raise these issues in places such as this to send a message to these judges that it is no longer acceptable as reported in the media to avoid their responsibilities. For that reason I bring to the attention of the House that on the basis of recent reports one judge has not lodged a return for seven years, one judge has not lodged a return for five years, one judge has not lodged a return for three years and nine judges have not lodged two returns. It is also interesting to note in terms of the Australian Taxation Office submission to the recent bankruptcy inquiry, which reported last year, that 12 months after the close of the June 2002-03 financial year 66 judges had returns outstanding. I think this is important because these judges occupy a very privileged position in the community. And in relation to the use of hardworking taxpayers’ money I refer to the fact that the estimated unfunded liability for federal judges’ pensions as at 30 June 2002 is $359.2 million. Maybe if they paid their taxes they could help us as a community to meet some of those responsibilities.

It is also interesting to note, in relation to salary adjustments paid for by the taxpayers federally out of the consolidated revenue, that in the financial year 2002-03 judges received a salary increase of seven per cent. In the financial year 2003-04 they received a salary increase of nine per cent. In the financial year 2004-05 they received a salary increase of 8.9 per cent. These are not inconsiderable improvements in the salaries paid to judges in the federal system, especially when you consider that the rise in CPI over that period amounted to 4.2 per cent. So we are talking about increases to the very privileged members of the community way over those paid to ordinary workers. Average weekly earnings, it is interesting to note, over the same period only increased by 7.9 per cent, which is less than the increases granted to judges in two separate years: nine per cent in 2003-04 and 8.9 per cent in 2004-05.

In relation to public support for some of these people who are unwilling to pay their fair share of taxation, the record also shows that the Australian Government Actuary has been doing some assessments of the real cost to the Australian community of adding the cost of the superannuation arrangements, which are non-contributory, to the overall salary package of judges. If a notional Commonwealth contribution to judges’ pensions of 55.3 per cent of salaries as at 30 June 2002 is added to judicial salaries then the total for High Court judges would be $517,304 per annum and the total for the Chief Justice of the High Court would be $570,044. Similarly, for the Federal Court we have considerable jumps in the overall cost to the community.

So I simply say that the time has been reached in relation to judges for the tax commissioner, having given them some notification, to name them. If they then fail to meet their obligations, we should give serious consideration to whether those judges should be removed from the bench. I am sick and tired of these bludgers not pulling their weight when it comes to issues about Australian workers being willing to front up to their responsibilities on the tax front. If it is all right for the Australian government to pursue ordinary blue-collar workers to pay their tax obligations, then it is high time that these judges, who receive very substantial benefits in salaries and pensions, also pulled their
weight. I simply say to the Commissioner of Taxation: ‘Go your hardest; front them up; make sure barristers and solicitors and, unfortunately, judges start to meet their responsibilities.’ We are sick and tired of them bludging on the Australian community. (Time expired)

The DEPUTY SPEAKER (Hon. I.R. Causley)—I remind the member for Batman that the chair believes that it has been very lenient on his contribution. I would ask him in future to stay within the bill and if he wants to mention other subjects to use the grievance or adjournment debates to do so.

Mrs IRWIN (Fowler) (4.25 p.m.)—In speaking in this debate I will be limiting my remarks to schedule 4 of the Tax Laws Amendment (2005 Measures No. 1) Bill 2005 relating to mature age worker tax offset provisions. As the Minister for Revenue and Assistant Treasurer said in his second reading speech on this bill:

This is part of the government’s strategy to deal with the demographic challenge posed by the ageing of our population. It recognises that improving the labour force participation of mature age workers will improve productivity, thereby assisting in securing Australia’s future economic strength. It also demonstrates the government’s commitment to and appreciation of older workers.

There we have, in 50 words, the entire justification for this government spending $490 million next year and nearly $1½ billion over the next four years. That is a huge cost to the revenue with just 50 words of explanation. And it is all because members of the government shudder when they hear just four words. Those are four words that will haunt them over the next few years. Those four words are the government’s real strategy to deal with an ageing population—and those four words are: work till you drop. That is the government’s strategy. And this measure is the sugar coating that this government thinks will sweeten the deal.

We might have thought that, before spending $1½ billion dollars, the government would have looked long and hard at the reasons for people over 55 leaving the work force. We might have seen a study which showed that people over 55 would stay in the work force or re-enter the work force if they were to be given a tax concession of the type proposed in this bill. We might have seen some studies that showed roughly how many people could be expected to continue working over the age of 55 because of this bill. That would be the least we could expect. If the government is asking us to approve the expenditure of $1½ billion, just what are we getting in return? More importantly, if we spend the $1½ billion in other ways, would they produce a better outcome in dealing with the demographic challenge posed by the ageing of our population?

I might give the minister a bit of help with his sums so that he can see the extent of the problem and how short-sighted this measure is in addressing the problem. For a start, let us look at the real problem. The problem is not just that the population is ageing. The bigger problem is that the proportion of older Australians in the work force has fallen dramatically. Since 1970 the proportion of men aged between 55 and 59 in the work force has fallen from almost 90 per cent to 72 per cent. In the 60 to 64 age group it has fallen from 75 per cent to 45 per cent. And for men over the age of 65 it has fallen from 22 per cent to eight per cent. Those figures show a huge drop in work force participation for males over 55. This is one of the biggest social changes to affect our society in the last half century. Changes to superannuation and pension laws will not have any effect for another 20 years.

Faced with this major social change, the Treasurer throws a $500 tax concession at the issue and expects that it will change everything. As the minister said, it is part of the
government’s strategy to deal with the ageing of the Australian population. But, as we can see from the figures, Australian males are not willing to work until they drop, so where is the rest of the strategy? I do not think for one minute that this government really believes that offering a $500 tax deduction will reverse the trend such that we will see greatly increased numbers of males continuing in the work force well into their 60s.

But there is no indication that the government is in any way prepared for the shape and style of work force that the next decades will produce. The government is quite happily going along on the assumption that the work force has not changed and will not change in the years ahead. The government is still living in an era when people worked until an age of retirement, at age 65, and then gracefully passed on a year or two later. The government makes a great fuss about how workers are living long past retirement age and tells us that a smaller number in employment need to provide for the growing numbers of retirees, so we need to keep people in the work force as long as possible.

But this approach totally ignores the realities of life for many people—for those with adequate superannuation cover and with the benefit of other savings, not to mention inheritance. More and more people are able to plan a life outside the work force by the time they reach their mid-50s. But this government simply assumes that, with a modest incentive, people will continue in employment in the same way that they would when in their 30s or 40s. What is lacking in this approach is an understanding of the changing nature of work and, more importantly, the changing nature of the work force. The government has failed to hear the alarm bells that have been ringing for the past decade.

The British management writer Charles Handy made these observations a decade ago. While we all got carried away with talk about globalisation and the material benefits of free trade, we forgot to ask individuals what they really wanted out of life. We simply assumed that people would continue to work to buy wide-screen TV sets and all the other needs in life. We overlooked the fact that increased wealth not only gave us the ability to buy material things but also gave us the wealth to be independent of the demands of the workplace. Charles Handy looked at it this way:

Life lasts longer now. We are as healthy at 70 as our mothers and fathers were at 50. At the same time, whatever the forecasters say, organisational employment will be ending sooner rather than later for all of us. In the organisations of the next century, as they strip down to their barest essentials retirement will come at 55, or sooner. Most of us will have 20 more years of active life. The third age, the French like to call it, maintaining that we go through the first age of learning and the second age of working, until we come to the third age of living.... The third age will include work, preferably work of our choice, work that allows us to feel useful and valued.

But this government simply ignores insights such as those of Charles Handy. It cannot see a future as anything other than a continuation of the present. It assumes that economic growth will go on forever, that consumers, whatever their age, will keep on consuming and that mature workers will work until they drop. If the government had a better understanding of the preferences of mature workers, it might be in a better position to make policy in this area.

The first thing we have to realise is that we are talking about one-third of the adult population. We are talking about a group who hold more than two-thirds of the wealth of this country. When it comes to work par-
ticipation we are talking about a group that has real choices—but this amendment ignores all that. Instead of looking at initiatives which would assist mature age workers to participate, we have a half-baked incentive which could even have the opposite effect—of inducing mature age workers to reduce their hours of work to qualify for the rebate.

When you think that the government is sinking $1½ billion into this scheme, you have to wonder how that money could be better spent with a greater chance of achieving higher participation by mature workers. As Charles Handy wrote over 10 years ago:

The third age will grow in importance. We cannot ignore it. Individuals need to see it as part of life and to prepare for it, financially, psychologically and technically.

Organisations must help them and encourage them not to leave it to the last two months. It will make the parting easier when people move on, not just out.

Government, too, needs to make it easier for people to prepare for independence, not dependence. Education, re-skilling and new training need to be easily accessible.

The people of the third age, mature, rich in experience, with independence and energy, could be a huge resource to the community.

They could also be a burden. It is in all our interests to do what we can to make it an opportunity for all.

When you compare the policies taken to the last election, it is not hard to see the difference in thinking between Labor and the coalition on this issue. Instead of a $1½ billion handout, Labor’s modest and affordable policies, costing only $212 million, offered such initiatives as mature age career centres to assist mature age Australians to get back to work. As I have pointed out, mature age workers are a different breed. Specialist career guidance would be much more successful than the one-size-fits-all approach of many Job Network providers. And when it comes to the type of work available that could suit mature age workers there is much to be done to make industry aware of the choices of mature workers.

Like many members of the House, I make use of the Comcars when parliament sits, and I often strike up conversations with the drivers about how they like their jobs. As most members would be aware, only a small proportion of Comcar drivers are full-time employees. The great majority are casual drivers, employed only when the parliament is sitting. As you might expect, a large number of casual drivers could be described as mature age, so it is always interesting to discuss how they mix their casual employment with other interests in life. So many drivers have a rich mixture of family, sport and leisure activities which they can fit around their hours on the job.

I do not want to suggest that all mature age workers can get by on income from casual employment. Many mature age workers require full-time employment to maintain a reasonable lifestyle. But I should point out, and this should be a matter for a Senate committee to investigate, that many of those drivers will miss out on the full value of the tax offset because their annual work income may be below the $10,000 threshold. This leads me to the other side of the story.

So far I have only mentioned male mature age workers, but the picture is very different for women. While employment of male mature age workers has declined dramatically, over the same period the percentage of women aged between 55 and 59 has increased from 29 per cent to 38 per cent. For women aged 60 to 64, it has increased slightly from 16 per cent to 17 per cent. There are a number of explanations for these differences. Traditional occupations for women are less physically demanding, allowing mature age workers to continue in
those occupations. But it must also be con- sidered that women are less likely than men to have superannuation coverage. So, for single women, either those who have never married or become widowed or those whose family relationships have broken down, working until pension age is often their only option.

For both mature age men and women, work options will vary from full-time work in demanding work environments through to employment in less demanding fields and to part-time and casual work in a range of fields. For some mature age workers this can be a natural progression. The examples given in the explanatory memorandum show some of these. Tim, aged 60, remains the director of a consultancy company and Margaret, aged 63, works part-time as a nurse. For many professionals, these options are available to a greater or lesser extent. This bill will provide a rebate for those with a net income from working of less than $63,000. The same can be seen for primary producers. As we know, a large proportion of our primary producers are over the age of 55, and this group will benefit from the mature age tax offset. But it must be asked: what will be the benefit to the many thousands of mature age workers who either by choice, by re- trenched or disability find themselves outside the work force and unable to plan for their third age, the age of living?

This is where this bill represents a missed opportunity. Over four years it will lead to $1½ billion in revenue being lost to the Commonwealth—money spent on a dubious incentive to encourage mature age participation in the work force. The real need is to look at initiatives which provide workplace opportunities for mature age workers that include some form of paid employment in their third age. Employers will need to offer work patterns which suit the needs of mature age workers. There is no point bemoaning skill shortages when thousands of skilled workers decline to participate in the work force because they are not offered the flexibility they so rightly deserve. We hear a lot about workplace flexibility, but this is almost always on the employer’s terms. Employers will need to make a lot of adjustments if they are to attract this new generation of independent mature age workers—workers who look to employment as a useful social and economic activity; workers who have paid off the mortgage, whose kids have left home, whose poor old dog has passed away and whose working income provides fruit for the sideboard but is not needed for survival.

This financially independent work force can provide a skilled and experienced labour resource, but it must be managed differently. This is an area that the government will also need to look at, and it will take a lot more than a $500 incentive if it is to be successful. Labor’s policy taken to the last election contained a number of initiatives that this government should take a close look at. But beyond these approaches, as a nation we should also be looking at assisting all mature age Australians to get the most from the age of living. We have ministerial responsibilities for children and youth, we have responsibilities for ageing, but we have no ministerial responsibility for the age of living. As Charles Handy warns us:

The people of the third age, rich in experience, with independence and energy, could be a huge resource to the community. They could also be a burden.

Our task should be to ensure that Australia’s path in the next decade leads us to the first of those outcomes and definitely not to the second. The government’s ‘work till you drop’ direction is definitely not the way to go.

Ms BURKE (Chisholm) (4.44 p.m.)—I also want to talk on the Tax Laws Amend-
ment (2005 Measures No. 1) Bill 2005 but will be focusing my remarks on schedule 4. While I welcome the opportunity to speak on this bill—in particular, on the mature age worker tax offset—and while I do not oppose this measure, I really cannot see any benefit that it is actually going to have for mature age people looking for work. It hardly addresses the most obvious and glaring reason for the high rate of unemployment amongst older workers: it does nothing to assist older workers back into the work force.

The Treasurer’s wonderful ‘demography is destiny’ statement some time ago, when he told us all we were going to work til we dropped, talked about the need to ensure that people remained in the work force. He kept harping on about 50-plus executives that should be encouraged to ease back into the work force. It is all wonderful if you still have a job. One difficulty with this age group is that they get enticed into early retirement. I am not sure how many of you have had the experience of knowing fantastic local public servants or teachers who come and say, ‘I’m 54 and 11 months and if I don’t go now the super’s not going to be as attractive later.’ I have had a plethora of them. My returning officer came to me not long before the election and said, ‘I’m out of here, Anna, the super’s beckoning.’ That was all well and good, and Bernie managed to come back during the election as a consultant—he took his super and came back, like many of them do—but he is one of the lucky ones who can actually make that transition.

A constituent of mine who has been unemployed for a very long time took the lure of early redundancy from the Department of Defence. He, like a lot of people in his late 40s, still had children at school and still had a mortgage. He assumed that when he took that package, given his skills, his experience and his qualifications, he would walk into another job. He has not. He has recently purchased a milk bar, which I think is a fairly game move for a man in his middle 50s. His children have, I think, just finished school but are embarking upon university, so he has a whole new raft of expenses. It has taken him at least six years to achieve the realisation that no-one was going to employ him.

I have spoken about this in this House on numerous occasions now. I have an ageing electorate, so it is an issue that comes through my door time and time again. I took the opportunity to speak when the Standing Committee on Employment, Education and Workplace Relations presented the Age counts report to the House. The government has totally ignored a report that was tabled in this parliament several years ago. There was some great bipartisan work and it was a terrific report of this House, but none of the recommendations were picked up. Nowhere in those recommendations did it talk about a tax offset. The government has also ignored the advice of its own panel of experts. Recently, the Financial Review reported:

The report, obtained by The Australian Financial Review, has not been made public but recommends the government adopts a range of measures that sources said would not require substantial funding to implement.

Those recommendations, drafted under the supervision of Commonwealth Bank director Fergus Ryan, multicompany director David Gonski and chief executive of Mission Australia Patrick McClure, include boosting training opportunities for mature age workers and raising awareness of the workforce implications of the ageing population.

They also did not mention a tax offset in their 36 recommendations. Nowhere did they say that this was the lure or the thing that was going to get people back into work.

Besides taking the opportunity to talk on Age counts, I also took the opportunity to talk about another fantastic member of my community—a mature age woman who had
been running a hospital and had been ‘Jef-fed’, as we refer to it in Victoria. When Jeff Kennett came in the hospital was closed and her job went. She is one of the most skilled medical administrators and nurses I have met, but she was 55 and female. She has not been able to get full-time work. Jeff Kennett has been out of office for quite some time, but she has still not been able to get full-time, ongoing work and recognition of her skills. Recently she was even contemplating going overseas, because there they might have accepted her as a mature age worker.

I talked about this constituent when I was moved so much by this issue to actually move a motion in this House talking about the traps facing people over 45. I also mentioned the issue in my maiden speech in this parliament because, in my previous life with the Finance Sector Union, tragically I had seen time and time again men—and also a whole lot of women—made redundant with the great line: ‘Here’s some money; go and have a life.’ It is all well and good if you have a life and if you are actually of an age and you get enough money to continue to survive. Again, a lot of these men were in their late 40s and early 50s and they were not ready to retire and they were not financially able to. They still had mortgages. People may understand that, when you leave the banking sector, you probably leave a discount mortgage that suddenly becomes a full rate mortgage. It is a hell of an experience to be paying those rates and still financing your children through school. It is a very complicated situation, but nowhere in any of these recommendations or reports from any of these experts does it say that a tax offset is the way to go. Not one person recommends it.

One of the members of the Prime Minis-ter’s committee, Mission Australia, put for-ward three reasons for the high rate of un-employment among older workers—and they should know what they are talking about: they have helped nearly 10,000 unemployed older workers who are looking for work. Mission Australia says that the three reasons for high rates of unemployment among older workers are discrimination, lack of training and retrenchment. Again and again the peo-ple walking through my door cite those rea-

The first reason of discrimination is backed up by the ACTU, whose recent analysis of job search data concluded that age discrimination had worsened, with about 60 per cent of unemployed 55-year-olds unable to obtain work because employers con-sidered them too old. One of the traps that happens with a lot of these people who are mature age unemployed is that, because they have a redundancy payment or super or be-cause they have a partner in part-time work, they are not counted as unemployed. They are not a statistic—they are not out there. But they are unemployed—they do not have a job—or they are underemployed, because they can only get casual work. The constitu-ent I spoke of earlier who has just purchased the milk bar worked for quite some time de-livering pamphlets. This is a man who was a senior public servant in Defence and the only job he could get was putting pamphlets in your letterbox. So he was not unemployed. He could also not access Job Network. He could not actually go into anywhere and say, ‘Help me find a job.’ The only way to go was through private agencies, and time and time again private agencies did not want to know him and turned him away. The one question they all ask is: what is your date of birth? And what do these people not want to put down? Their date of birth.

Another constituent came to see me be-cause he had refused to provide to a job placement agency his date of birth. They said they would not be able to put him on their books unless he told them his age. He was
49, almost 50. He was a highly skilled town planner. He was very capable of taking this job, but because he would not put down his date of birth they refused to take his application. He then took the agency to HREOC. He did not want to do that because, by then, he had actually secured another job, but he was so incensed by the principle of the matter that he took the company to HREOC and won. They were told, ‘You can’t discriminate on the basis of age and you cannot force someone to provide their date of birth.’ It was a pretty brave step for that individual to take. He said: ‘I just wanted a job, Anna. Actually, I just needed a job.’

The tax offset would not help any of these individuals. They wanted to work. The tax regime was not locking them out of employment; the ability to break down the barriers and discrimination against aged workers was. There was nowhere for these people to go. Yet again the government has not come up with any funding for a resource for people over the age of 45 to assist them back into the work force. There is nothing in the legislation about reskilling. There is nothing about retraining. There is nothing about extending the fantastic NEIS program to assist some of these people into small business.

One of the things I noticed at the Finance Sector Union when a lot of people were made redundant was that a plethora of cheesecake shops suddenly opened up. Many bank employees took their redundancy package and opened a cheesecake shop, which was fantastic—except that none of these people had ever owned or run a small business, and they probably had not had a lot to do with cheesecake. They were lured in, and a lot of them went under because none of them were given advice, assistance or skills training. Things like the NEIS program, where you can have 12 months of expert help and training, would have overcome that gap and supported those people. Again, a tax offset—while it sounds all well and good—is not going to assist those people.

There is quite a large amount of money being spent on this program. It could have been better spent; it could have been better utilised, and it could have made an enormous difference. Those receiving the full benefit will receive a $500 rebate on their earned income. I do not think a $500 rebate is really going to lure executives back into the work force. While this measure may have some positive impact on work force participation—and I doubt that extremely—it is a very expensive approach. In fact it now appears that, over the forward estimates, it will cost $1.44 billion. It was about the fifth-largest spending promise that the government announced during its wonderful ‘chuck money here, there and everywhere else’ election campaign. So it is not a very good bang for your buck; it is a very bad bang for your buck.

If you had put that money into supporting some agencies dedicated to servicing the over 45s, you would have had a much better outcome. If you had put some money into getting mature age tradespeople back into the work force—skilling up and reskilling—you would have an enormous amount of bang for your buck. I am not talking about the new apprenticeships that the government keeps going on about; I am talking about traditional trades training, where people actually come out and know how to rewire and re-plumb your house. We need those people. We do not have them. There are a whole lot of people out there who could be reskilled and retrained who would make great tradesmen and do fantastic things for our society and our economy, but they are not being given the chance.

There is a terrific organisation just outside my electorate—actually, it is in the electorate of the member for Kooyong, although I am
not sure he knows it exists—called 45 Plus Workforce. It was launched back in 2001 without any federal funding. This organisation has, time and again, sought federal funding. It has been to its local member, but it has not received any. Indeed, the state government has continually supported this organisation, as has the local Boroondara council. I am not sure that it is Boroondara council’s responsibility to be providing employment services, but they saw that this would be a great bonus and asset to their area—an area with an ageing population.

The organisation 45 Plus Workforce offers free advertising and membership. It gives training. It educates employers in age discrimination. It gives people their confidence back to go and seek a job. When you have left the work force believing that you are going to get a job fairly easily and do not do so then your confidence is continually bashed, dented and hurt. This is a terrific initiative and it needs to be funded and supported. The government could have funded an initiative like that. It is already up and running. The government could have funded it so it would have been able to provide specific assistance to people on a full-time basis. As I say, many of these people will not go onto Job Network because they are not eligible if they are married to someone in the work force. However, they still need that income.

I had one gentleman come and speak to me—and I think it was one of my most poignant moments—who was just about in tears. He was a 50-year-old manager leaving the ANZ Bank. He had worked there since he was 16. He had come up through the ranks. He had started as a messenger and became a teller, a manager and then a regional manager. The thing he wanted from the bank when he left—because he was six months too late—was his gold watch. He wanted to leave with his dignity and his gold watch. He said to me: ‘It’s really hard, and I know it sounds petty and it’s really silly when there are other people really hurting, but I cannot renew my MCG membership. It’s the only thing I’ve done with my sons all my life. I’m traumatised. I know that’s silly’. He was just devastated, and there was nothing I could do for him. I got him his gold watch. I was determined to get him his gold watch, which I did. They would not give him a presentation though. They sent it in a box to his home. That is the indignation these people suffer. I do not think a tax offset addresses that—because he did not have a job and he was never going to get a job. There are no jobs in the finance sector for these people. Thousands and thousands of jobs have gone out of the finance sector, and these people are not going back in.

Mission Australia says:

Many unemployed older workers, however, have found to their cost that diminishing access to training and up-skilling provided by employers has seriously disadvantaged them in the labour market.

It continues:

According to the Senate Committee on Superannuation, older workers are poorly placed to adapt to labour market demands because many lack the range of skills employers now require.

That is what these managers from the banks were finding: they did not have new skills. They had been in one environment all their working lives. They had a terrific set of skills, but they no longer applied to the new work environment. What we need to give these people is training and dignity. We need to give them access to services to meet their specific needs and information to get them back into the work force. While we are supporting the tax offset, it is not the way to go. The government’s own recommendations say that it is not the way to go. They could have used the money far more wisely. Whilst I support this bill, I think there was a lot more
we could have done for older unemployed Australians.

Mr GEORGANAS (Hindmarsh) (4.59 p.m.)—I rise today to speak on the Tax Laws Amendment (2005 Measures No. 1) Bill 2005. I too will speak about schedule 4, which relates to the mature age worker tax offset, just as the members for Chisholm and Fowler did before me. We need to increase Australia’s work force participation rate and tackle the problem of mature age unemployment. There is considerable debate about increasing participation among major cohorts, such as disability support pension recipients. However, the low participation rate of mature Australians—that is, Australians aged 55 and over—is a key area of concern. Increasing the participation rate of this cohort is economically responsible, given the changing demographics in the Australian community—that is, the ageing population. Longer life expectancy, mature age unemployment and early retirement have a negative impact on productivity. In some cases, these also compound Australia’s growing skills shortage.

For many mature age Australians, early retirement is imposed as a result of involuntary retrenchment. We have all heard stories of people who, when they hit their late 40s and early 50s, have been retrenched. Many face substantial difficulties re-entering the work force, despite their best efforts to do so. In response to this problem, the government established the Prime Minister’s Community Business Partnership committee on mature age workers, which included Mission Australia CEO, Patrick McClure, CBA Director, Fergus Ryan, and multicompany director, David Gonski. The committee’s draft report, which was leaked to the Australian Financial Review in October 2004, offered 36 recommendations or matters for consideration. Not one of these recommendations suggested a billion dollar tax offset for mature age workers. At the time of the tax offset announcement, the Prime Minister indicated that there would be further announcements addressing the partnership committee’s approach. To date, no such announcements have been forthcoming.

In 2004-05, the offset will phase out at five per cent from $48,000 so that no offset is available when net income from work exceeds $58,000. In 2005-06 and beyond, the offset will phase out at five per cent from $53,000 so that no offset is available when net income from work exceeds $63,000. Those receiving the full benefit will receive a $500 rebate on their earned income. While this measure may—I stress, may—have some positive effect on work force participation, it is an expensive approach. In fact, it now appears that over the forward estimates it will cost $1.44 billion rather than the $1.04 billion indicated during the election campaign. In addition, it carries disincentive effects associated with an increase in effective marginal tax rates for the income ranges at which the tax offset phases out.

The government has effectively ignored its own committee’s recommendations and has come up with an expensive and incomplete response to mature age unemployment. As Labor emphasised when the policy was announced on 9 September 2004, this measure simply offers a tax cut to those who are already employed and does little for those who are not employed. A number of other measures were recommended by the Prime Minister’s Community Business Partnership committee, including measures to convince employers they should hire older workers, thereby overcoming what is frequently cited as a major barrier to increasing mature age worker participation.

Labor’s comprehensive $212.4 million election policy ‘Greater security, more opportunities for mature age Australians’ pro-
posed a number of measures carefully designed to tackle the underlying reasons behind low work force participation among mature age workers. These included: establishing mature age career centres to assist mature age Australians get back to work; providing rapid assistance for workers who are displaced or about to be displaced due to large scale or regional retrenchment; establishing a training partnerships fund to encourage employers to retrain and reskill mature age employees; earmarking 2,500 new TAFE places each year for Australians over 45 years old; developing new procedures for formally recognising the skills and experience of mature age Australians when they attain new qualifications; funding an additional 500 new places in the New Enterprise Incentive Scheme, NEIS, to be earmarked for mature age job seekers who do not receive income support; providing a $2,000 learning bonus to mature age job seekers who take up an apprenticeship or traineeship in an area of skill shortage; deploying 125 mature age workplace trainers in key industries to develop and implement workplace training plans; implementing community programs to improve adult literacy levels; supporting mature age workers to undertake nationally accredited training in information technology; and establishing Job Network providers that specialise in assisting mature age job seekers.

Unlike the government, Labor with its policy addressed the range of factors and problems that contribute to mature age unemployment and low mature age work force participation. We are not opposing the tax offset as there are some benefits in it for mature age Australians. However, we believe there are more cost-effective ways of increasing mature age participation in the work force, such as those I have just mentioned. A more comprehensive approach is required to tackle mature age unemployment.

**Mr BROUGH** (Longman—Minister for Revenue and Assistant Treasurer) (5.05 p.m.)—I thank all of the members who have participated in the debate today on this significant bill. The opposition have had a bit to say on a few of these measures and have been somewhat disparaging of them, and I would like to address that as I go through and wrap up on the four key measures of this bill. The Tax Laws Amendment (2005 Measures No. 1) Bill 2005 makes amendments to various tax laws to implement a range of changes to improve Australia’s taxation system, including giving effect to budget and election commitments. The government obviously takes its election commitments very seriously and hence we are introducing and putting into law the commitments we made at the last election as quickly as we possibly can to give timely effect to them.

The opposition, and in particular the member for Hunter, have on many occasions over the last few sitting days and at the end of last year raised the issue of my own efforts and those of the government in bringing legislation to this place, suggesting we are not giving the opposition sufficient time to deal with issues and that, given more time, they could improve bills. I have been reluctant up until now to go to the heart of this issue, but I think it is time we put it to bed.

The member for Hunter—the shadow minister—is often referring to the GST and long-term non-renewable contracts, and how these were sprung upon the opposition at the last possible moment. So I thought it would be worth while giving a chronology of events—

**Mr Fitzgibbon**—A rewriting of history.

**Mr BROUGH**—I thought it would be worth while giving an accurate chronology of factual events and when they occurred. I think the member for Hunter was the shadow minister for small business at one stage.
Mr Fitzgibbon—A long time ago.

Mr BROUGH—Yes, it was a long time ago. This goes back to the introduction of the GST transitional bills on 2 December 1998 and, in particular, to the release of the government’s draft legislation onto its web site on 29 October 2004. The government announced a public consultation round, then we had the draft legislation on 29 October and then we introduced the bill into the House on 8 December, five or six weeks after the release of the draft. On 9 December, we obviously looked at the bill in the House of Representatives. It was then introduced into the Senate and blocked until the next sitting.

The Labor Party came back here last week and made a big play of it, saying, ‘We picked up an anomaly and we needed to insert this amendment.’ The reason the amendment needed to be inserted into that particular piece of legislation was simply because of the time that had elapsed over Christmas. The simple wish of the Property Council and others who were negotiating on behalf of their members was that the Labor Party would have formed an opinion between 29 October and 9 December, when it was finally debated and put aside in the Senate. So that is why we allowed the amendment—and that goes for many of the amendments that the member opposite refers to.

One of the particular measures we have before us today goes to the issue of depreciation for trucks, buses and light commercial vehicles. This was a decision the government made before the last election; it was articulated before the last election, and it was welcomed by the industry. So it has been there the entire time, yet the opposition have the hide to come in here and tell us we have sprung it on them at the last moment. Regarding the mature age tax offset, that was an election commitment. So here we are, only a short time into the life of this government, and we are putting up the legislation in the form we took to the people, which, of course, was roundly accepted and welcomed by the general population.

I now turn to the specific measures in this bill. Amendments will be made to the fringe benefits tax law to improve access to certain FBT exemptions for small business. The government has listened to representations about the ‘customary requirement’ making it difficult for small business to take advantage of the FBT exemptions for remote area housing. In response, the government is introducing measures to extend the FBT exemption for employer-provided remote area housing by removing the requirement that such housing benefits be customary in a particular industry. The member for Hunter suggested this measure would be open to abuse. I can assure him the measure will not be open to abuse. The amendment will not give rise to abuse by non-customary industries as it removes the customary requirement from just the one element of the law. Employers will still be required to satisfy the other existing criteria to be eligible for the exemption. These criteria include that it could be concluded that it is necessary to provide the accommodation because of the nature of the employer’s business or because of the absence of sufficient other suitable accommodation. The FBT exemption is also not available if the benefit is provided under a non-arms-length arrangement or provided for the purpose of obtaining an exemption. Thus the amendment improves small business access to the FBT exemption without opening up the opportunity for abuse—which, of course, is very important.

The government is also ensuring that the FBT laws do not inhibit the uptake of new products and services by small business. As such, the amendments will also broaden the FBT exemption for work-related items to include personal digital assistants and port-
able printers designed for use with portable computers. In addition, the existing FBT exemp-
tions for relocation costs will be extended to include the engagement of a relocation consultant to assist in the relocation of employees.

The second part of the bill confirms the government’s commitment to provide cer-
tainty for the transport industry by introduc-
ing effective life caps for the depreciation of buses, light commercial vehicles, trucks and truck trailers. These caps will coincide with the Commissioner of Taxation’s safe harbour effective life determination. Listening to the debate earlier, I was absolutely stunned to hear the member for Hunter referred to this measure as ‘industry welfare’. The member for Oxley, who is sitting opposite, has the Ipswich Motorway running through his electorate and probably has more trucks through his electorate than any of us do. I would love to see him on the side of a road with a big sign that says, ‘Seven and a half years depre-
ciation is welfare for you bludgers!’ It is rudi-
culous in the extreme. It flies in the face of comments made by the member for Batman, who in the lead-up to the election assured the industry that the Labor Party would support this measure and would match the government. But he did leave the gate open—which I am sure would surprise you, Mr Deputy Speaker Jenkins—saying, ‘That is the posi-
tion now, but we may look at it in the future.’

Is this what the Labor Party mean when they say they will look at it in the future—that they are going to support the measure and are not going to prevent it from going through, but they consider safer trucks and a younger fleet to be ‘industry welfare’? That is a pretty extraordinary comment from a former shadow spokesman for small business, a person who lives in the Hunter Valley, which has trucks rumbling up and down the New England Highway—trucks which, if they were older, would be putting at risk the safety of his own constituency and would be putting in jeopardy a lot of private contractors—an absolutely extraordinary comment.

Mr Ripoll interjecting—

Mr BROUGH—The member for Oxley says, ‘They’re supporting us.’ I say to the member for Oxley: if you are supporting the government and supporting the transport industry, for goodness sake do not come in here and lambast them with inflammatory comments such as ‘industry welfare’. It does you no good, and it certainly does the indus-
try no good, when they are trying to make investments, knowing that one day—God forbid!—the Labor Party may have the treasury bench and they may well remove these measures which are giving certainty to what is an incredibly important industry for the growth of this nation.

The third measure in this bill will amend the GST law to correct an anomaly. The amendment will ensure that the GST applies to offshore supply of options or rights to re-
quire something the supply of which would be connected with Australia. The amendment reflects the policy intent of the GST law to tax private consumption of most goods, ser-
vices and other things in Australia. This measure will also help ensure that there is a competitive neutrality between similar sup-
plies made by offshore and Australian based businesses, and will ensure these latter busi-
nesses are not disadvantage
ted.

The member for Hunter raised concerns that the bill imposed the GST on the profit margins of non-resident tour operators. The GST is not intended to be a tax ultimately borne by businesses on business profits; rather, it is effectively applied to tax final private consumption of goods and services in Australia. Accordingly, businesses are generally entitled to claim refunds of GST input tax credits on goods and services acquired. In the case of a supply by non-resident tour

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operators of Australian holiday packages, GST broadly applies to the total price of the supply including any profit made on the supplies by non-residents. Offsetting GST input tax credits are available to ensure the GST effectively applies tax only to the final private consumption. The GST law applies in the same way to domestic transactions involving consumption of goods and services in Australia.

This measure is very important. It is an integrity measure and it ensures that our home based businesses—and by that I mean our domestically based businesses—are not disadvantaged against those which may be selling products not only to overseas visitors but also to Australian residents. And that is the concern that we have.

The shadow minister also raised concerns that the amendment will apply to foreign transactions when none of the parties have any connection to Australia, potentially imposing double taxation. It should be recognised that many countries apply consumption taxes to transactions undertaken overseas by non-residents but involving consumption in that country. For example, European Economic Community countries apply their consumption taxes to a range of transactions undertaken by non-residents that relate to consumption in the EEC. Accordingly, Australia does not apply GST to supply by Australian tour operators of overseas holiday packages.

The government is not aware of any situations in which the GST amendment will result in the imposition of double taxation. I am advised that, in general, foreign tour operators currently register for GST in Australia and claim GST input tax credits for Australian holiday packages that they acquire. As I have said, this amendment will restore competitive neutrality between resident and non-resident tour operators supplying Australian holiday packages.

I am advised that the member for Batman raised the matter that the bill compounds existing valuation issues facing foreign tour operators and therefore increases their compliance cost. The bill will reduce compliance costs faced by foreign tour operators. In part, compliance cost difficulties arise from the fact that the non-accommodation component of Australian holiday packages is not subject to GST. The amendment will address this by broadly imposing the GST on the whole of the holiday package other than the GST concession portion applying to international airfares and their domestic legs. So it will prevent them from having to work out what is in and what is out.

Further, the member went on to suggest that it will adversely impact on foreign tour operators because it applies from the date of introduction of this bill. Integrity measures, by their very nature, must apply from the date of announcement—otherwise you would leave time for people to make other arrangements which may have a detrimental impact on revenue. The government is therefore concerned that significant revenue loss would continue to occur if the date of the effect of this measure were delayed. Therefore we consider the current application date to be appropriate.

Finally, the government is delivering on its election commitment to introduce a mature age worker tax offset to reward and encourage mature age workers who choose to stay in the work force. The offset will be available to workers aged 55 and over and will provide a maximum annual tax rebate of $500, with effect from the 2004-05 income year. This measure recognises that improving the labour force participation of mature age workers will improve productivity thereby assisting in securing Australia’s future eco-
nomic strength. It also demonstrates the government’s commitment to, and appreciation of, older workers.

I think it is widely understood in this chamber that one of the key goals of the government is to increase the participation rate, particularly of males over 55. Whilst we have a 30-year low in the unemployment rate and high rates of participation, that is all good news—but this is still an area of great concern. In fact, too many of our men aged 55 and over are on the disability support pension. We all have a responsibility to try and address this situation and to assist them to get back into the work force. The government is committed to that. This is something that we cannot do on our own. This is an important measure in general but we need to ensure that business understands the significant role that mature age workers can, and do, play in their work forces. If we can do that, people will remove this unreasonable stigma that just because you are a little older, going grey and losing a few hairs, somehow you do not have the energy and enthusiasm to work. I am sure the member for Oxley would agree with me about that.

The member for Hunter and others challenged the government’s response to the Intergenerational report. I remind them that it was this government that took on the responsibility of looking way beyond the next three years and well out into the future to try to set this country up with a range of policy measures aimed at protecting the tax base into the future, and getting greater involvement in the work force today, so that we can look at the problems that arise for this nation from the intergenerational issue and the demographics of this country. I applaud the Treasurer in the way in which he has taken that forward.

The member for Hunter apparently also raised the question of the changes in the estimates for this issue. The cost revisions have resulted from the development of the definition of ‘net income from working’. I inform the member for Hunter that the government’s decision is to allow taxpayers who are earning income from working in a partnership to be eligible for the offset and to allow wage and salary earners to deduct relevant deductions in order to calculate net income from working. This treatment is consistent with that of personal services income and business income, and there is nothing particularly unusual there.

There were some other issues raised. The last one of any significance was: does the lack of any dynamic modelling on this issue mean there are no gains to the number of people in this age group who are working? This is a significant impost on the budget that we are making here. We are doing it for very good reason, which is that we believe it will contribute to better outcomes.

Mr Fitzgibbon interjecting—

Mr BROUGH—As the member for Hunter says. What we are after here are outcomes. This will encourage people to remain in the work force. That does not mean they have to remain permanently connected to the work force, but the days when people stopped work and retired, I think, are getting further and further behind us. People actually want to remain connected to the work force and to use their experience and their productivity in a way that allows them to meet also the social aspects of their lives and the quality of life that they want. If this measure goes some way to ensuring that occurs, it will have met our policy objectives. The point is that, not unlike the 25 per cent entrepreneurial tax offset for small business and not unlike the $500 mature age worker offset, these are positive measures introduced in the last election campaign by the government. In stark contrast, the opposition had no policy initiatives worth their salt.
Mr Ripoll interjecting—

Mr BROUGH—The member for Oxley derides again these payments. It is a case in which it does not matter whether it is the family payments, which the member for Lilley claims are not real money, it does not matter whether it is the superannuation co-contribution, which I presume is not real money either, and I suppose this $500 is not real money. I would love to know what real money is, because I know that nearly 5,000 families in my electorate actually received the co-contribution; that is, people earning under $40,000. We have people receiving benefits to assist their families, because the Howard government believes in people having choice and in people having independence and being given incentives to do the best they can for themselves.

Mr Billson—Encouragement, not compulsion.

Mr BROUGH—Yes, ‘encouragement’, as the parliamentary secretary states. This is an important bill. It is another significant piece of reform that the government has put to the parliament and, most importantly, it goes to our commitments that we made at the last election, and before the last election to the transport industry. I would ask the member for Hunter to reflect upon his inflammatory comments to the trucking industry when he called this depreciation schedule ‘industry welfare’. It is nothing of the sort. I commend the bill to the House.

The DEPUTY SPEAKER (Mr Jenkins)—The original question was that this bill be now read a second time. To this the honourable member for Hunter 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.

Question agreed to.
and rightfully accepted by the government. The minister now claims that the amendments were only necessary because the opposition somehow delayed the bill. Not true—the reality is that, without a time limit on the arbitration period for the negotiation between the parties in non-reviewable contracts, the party which stood to gain an advantage from the outcome of non-negotiation could have dragged out those negotiations for one, two or three years. So the problem was not the emerging cut-off date of 1 July 2005 for the transitional period; it was the very ability of one party to drag out the arbitration period, to the disadvantage of the other parties. So the minister attempted to rewrite history. He is absolutely wrong. Either he is not very well informed or he is just prepared again to tell porkies to this House.

The minister also said that, because the draft legislation had been around since 1998 or something, we have had more than ample opportunity to closely examine the provisions of that draft legislation. If we sought to study very carefully every aspect of every piece of draft legislation that is put out into the community by the government, we would be doing nothing else. It would be a complete waste of time in many circumstances because, of course, the draft legislation (1) never gets to this place for whatever reason or (2) is more than likely to have had amendments made to it before its arrival in this place. So it is untrue to say that the opposition had ample opportunity to study the bill that eventually came to the parliament with no notice whatsoever because the draft legislation had been around for all of that time.

On the same point, the minister said we have had ample opportunity to study these things because they were election promises. So, if it is an election promise, when the bill comes in three or four months later, we are expected to be well informed of the details of the bill. That is a ridiculous proposition, particularly given the minister himself just conceded that the costings for the mature aged worker tax offset provided for in the election period were absolutely wrong and totally inconsistent with the costings provided to the House when the bill was introduced only a week ago. He also conceded that there had been changes to the scope of that offset. So it is ridiculous to say that, if something is an election promise, we have ample opportunity to discuss it before it is debated in this place.

My last point is about the minister’s attack on me with respect to my use of the phrase ‘industry welfare’—

Mr Brough—Correct the record, mate.

Mr FITZGIBBON—I will correct the record, since you misled the House. Let me share with the House what I did say during that debate. I made the point that with respect to the Ralph Review of Business Taxation there had been a longwinded debate about the trade-off between the corporate tax rate and the system of capital allowances. In the end, industry agreed to give up some fairly concessional depreciation regime schemes for a lower company tax rate. That was the deal of the Ralph review. The opposition signed up to and was supportive of that regime, and the government was committed to it. So, as a result, we had a new capital allowance regime based on effective life rate, and we were all happy with that.

A year or two ago—I think it was only last year—the government came in here and decided they were not going to use effective life rate anymore for gas pipelines because there was massive underinvestment in the gas network. On that basis, they argued we had to depart from the system of effective life. The opposition supported that; we did not have a particular problem with that, because we acknowledged there was a crisis in investment in that sector. Again, today, the
government have come into this place and argued that there needs to be another departure from the effective life test, because there are environmental and safety concerns in the heavy transport industry. What have the opposition done, again, on this occasion? We have accepted that argument and are supporting yet another departure from those Ralph reform commitments and from the effective life regime which, of course, is the most effective regime.

The DEPUTY SPEAKER (Mr Jenkins)—Order! I remind the honourable member for Hunter that the chair has been very charitable.

Mr FITZGIBBON—I am almost winding up. What I said during the debate—

Mr Stephen Smith—He has hardly been in order for a second of that speech.

The DEPUTY SPEAKER—I thank the honourable member for Perth for his observation.

Mr FITZGIBBON—Thanks, mate! Who needs enemies when you have friends like the member for Perth! What the opposition has responsibly said is that we will accept these departures from the effective life regime when the government makes out a case, but what we will not do is accept a pattern of serial departure in circumstances that just represent industry welfare. And that was a perfectly responsible and sensible thing for me to have said.

The minister has become very provocative. I am not surprised. He has become a serial offender in bringing complex bills into this place without any notice and expecting the opposition to respond. We will continue to respond responsibly and sensibly and to attempt, at least, to improve these bills because they are full of flaws, as I demonstrated during the second reading debate today.

The DEPUTY SPEAKER—Before calling on the Minister for Revenue and Assistant Treasurer, I say to the honourable member for Hunter that his homework for tonight is page 369 of House of Representatives Practice and standing order 69(e) and that he should be less provoked by the minister.

Mr BROUGH (Longman—Minister for Revenue and Assistant Treasurer) (5.34 p.m.)—Mr Deputy Speaker Jenkins, I hope you are going to hold the member for Hunter to bringing his homework to you some time tomorrow. I have one very brief point for the member for Hunter, if he is listening, about the GST and long-term non-reviewable contracts. The draft legislation was out on 29 October 2004 and remained unamended until—

Mr Fitzgibbon—We didn’t know that at the time; you want us to read every draft?

Mr BROUGH—My point is that it was left unamended and it entered into parliament in the form that it was put out on 29 October. So the Labor Party had that piece of legislation before it to consider on 8 December but, in fact, did not listen to the calls from industry to expedite it through both houses of parliament. That was unfortunate for industry, and I think it says a lot about the Leader of the Opposition and where he is taking the ‘new’ Labor Party with its supposedly economically rational approach to life.

Question agreed to.

Bill read a third time.
Mr STEPHEN SMITH (Perth) (5.35 p.m.)—The opposition supports the Telecommunications (Consumer Protection and Service Standards) Amendment (National Relay Service) Bill 2005. As the title suggests, this bill concerns changes to the administration of the National Relay Service. The National Relay Service is a statutory scheme effected under part 3 of the Telecommunications (Consumer Protection and Service Standards) Act 1999. The National Relay Service provides deaf and hearing and/or speech impaired Australians with access to a standard telephone service.

The National Relay Service is an important part of the community service and consumer protection safeguards in the Australian telecommunications regulatory environment. The National Relay Service allows text and voice communications by employing relay officers to translate calls from one medium to the other on a confidential and cost-free basis. National Relay services are provided 365 days a year, 24 hours a day.

Under the Telecommunications (Consumer Protection and Service Standards) Act 1999, telecommunications carriers fund the operation of the National Relay Service through a quarterly levy on eligible telecommunications carriers. This levy is imposed in proportion to the carrier’s share of total telecommunications carrier revenue in much the same way as the universal service obligation. The current provider is Australian Communication Exchange Ltd, a not-for-profit organisation that has been the provider since 1998. The National Relay Service is therefore an important tool for ensuring that deaf and hearing and/or speech impaired Australians have access to the same telecommunications services as other Australians. Labor strongly supports the continuing operation of the service.

The bill before the House makes a minor amendment designed to improve the effectiveness of the National Relay Service. Under the current legislative regime, the National Relay Service must be supplied by a single provider under a single contract with the Commonwealth. This bill amends the definitions of ‘National Relay Service contract’ and ‘National Relay Service provider’ contained in the Telecommunications (Consumer Protection and Service Standards) Act 1999 and makes consequential amendments to the act to allow multiple providers to supply the service. The effect of the amendments is to allow separate components of the National Relay Service to be provided by separate providers under separate contracts. The contractual arrangements with the current National Relay Service provider—ACE, Australian Communication Exchange Ltd—will not be affected by this bill.

There are a number of benefits that flow from this change. Allowing the Commonwealth to contract out separate components of the National Relay Service to separate providers gives the Commonwealth the flexibility to obtain each component from the provider best placed to provide them. It is by no means necessarily the case that the most effective and efficient provider of the technical core relay service aspect of the National Relay Service would also be the most effective and efficient provider of the community outreach education and support services aspect of the National Relay Service. Enabling the Commonwealth to obtain these services from separate providers—in circumstances in which, through a tender process, it determines that the National Relay Service is best provided by multiple providers—is commonsense. Labor hopes that the change might go some way to addressing some of the delivery issues that have been raised in relation to the outreach program in the recent past.
A further benefit of the change may be to allow the Commonwealth to obtain national relay services more efficiently. In recent years there have been rapid changes in the information communications and technology market. Many niche operators, only specialising in segments of the information communications and technology market, have emerged. This amendment would allow the Commonwealth to utilise the services of these niche players to obtain components of the National Relay Service. For example, one provider may supply in-network solutions while another may supply software sitting on top of that network. The competitive effect of these niche operators may also reduce the prices charged by comprehensive service providers and might reduce any increases in the levy applied to telecommunications service providers.

While it may be possible for such multi-supplier solutions to be provided under the current regime so long as one party signs up as the sole provider with the Commonwealth and effectively subcontracts to other providers, it is far more accountable to allow the Commonwealth the option of managing each of these suppliers under separate contractual arrangements. The Commonwealth will be in a better position to ensure compliance with contractual service standards if it has a direct relationship with all the suppliers.

A further benefit of the proposed amendments is that allowing multiple National Relay Service providers also removes a current defect in the National Relay Service scheme that prohibits a staged transition from one service provider to another in circumstances where a new provider has been selected over the incumbent in the tender process. In recent years, many more call centre operators have entered the market than were in business—or, indeed, envisaged—at the time that the National Relay Service was established. This amendment will make it easier for the Commonwealth to employ the services of these new operators without having to risk service levels falling as a result of a change-over.

Labor also notes that, in addition to these benefits, nothing in the amendments before the House suggests that service levels under the National Relay Service would fall as a result of the bill. Under the act and National Relay Service contracts, National Relay Service providers must develop a National Relay Service plan which includes service standards. These standards address the number of calls to the National Relay Service that do not get through, the call answer time of the service, the number of complaints about the service, the number of calls to emergency number 106 that did not get through, and call answer time of the 106 text emergency service.

Even where there are multiple suppliers of the NRS as permitted under this bill, these National Relay Service suppliers will still be able to be financially penalised for failing to meet non-emergency service standards. It is expected that the Department of Communications, Information Technology and the Arts will ensure that continuity of service obligations are included in National Relay Service contracts in circumstances where multiple providers are engaged to provide the National Relay Service. However, as alluded to earlier, Labor expects that allowing more specialised suppliers to provide components of the service would improve the quality of the National Relay Service in the first instance.

This bill does not involve a substantial change to the administration of the National Relay Service. Instead, it provides for a fairly commonsense amendment that would be hoped to improve the efficiency and quality of services provided through the National Relay Service. Labor supports the National
Relay Service and, accordingly, supports this legislation as a measure designed to improve its operation and effectiveness. I commend the bill to the House.

Mr NEVILLE (Hinkler) (5.43 p.m.)—I am pleased to speak on the Telecommunications (Consumer Protection and Service Standards) Amendment (National Relay Service) Bill 2005 which will amend existing legislation so as to potentially allow more than one service provider to operate the National Relay Service, known to us all as the NRS. Many members would recognise the NRS as an outstanding telephone access service which is tailor-made for people with a hearing or speech impairment. It is operated on an Australia-wide basis and incorporates teletypewriter, or TTY, technology—individual relay officers who translate typed text to speech, speech into typed text, and the voice carry-over system to a wide range of Australians. All in all, it is a remarkably effective way for hearing and speech impaired people to use modern telephony to stay in touch with friends, family, business contacts and other public entities.

Since the NRS was implemented in 1995, the Australian Communication Exchange have successfully tendered to be the sole provider of these services and will have relayed their four-millionth call this month. Nobody doubts the efficacy of the Australian Communication Exchange but, in the interests of promoting further efficiency and flexibility, the government intends to allow more than one operator, potentially so anyhow, to provide the National Relay Service into the future. These amendments also aim to provide greater flexibility and message communication; (2) the hearing carry-over (HCO) service, which allows callers with a speech impairment to listen directly to the other party and respond by typing on a teletypewriter, with the relay officer reading the conversation out aloud to the other person; (3) the voice carry-over (VCO) service, which allows callers to speak directly to the other party as the relay officer listens to the conversation and types the responses which appear on the teletypewriter; (4) the speech to speech relay (SSR) service, where a person with a speech impairment can use their natural voice or a voice output device to speak directly to the other person and relay officers will respeak parts of the conversation as necessary. They are four very important aspects. The National Relay Service clients can also access an emergency call system and reverse charge services. The actual telephony equipment for the National Relay Service activities is provided by telecommunications carriers. Any carrier that provides customer premises equipment, such as handsets et cetera, is obliged to provide disability telecommunications equipment such as modems, volume control phones and voice aid equipment for people with disabilities. In the main this refers to Telstra and Optus, with Telstra supplying the equipment under the terms of its universal service obligation.

The Australian Communication Exchange has done an outstanding job in providing these services to clients throughout Australia for the past 10 years and will surely be a leading contender to win the contract once it is open to tender. This amending legislation will allow for more than one service provider to supply different components of the NRS in the future and aims to improve continuity and reliability in the event of the NRS being transferred from one provider to another some time in the future. These amendments also aim to provide greater flexibility and
efficiency for both service providers and customers, with the department calling for competitive tenders for the provision of the NRS from 1 July 2006. The financing of the NRS will continue as it has been done, by way of a levy on all telecommunications carriers. This amendment has been put forward because the current arrangements do not allow the government to implement any reforms to achieve greater efficiency or effectiveness in supplying the NRS services. Under existing legislation, services can only be supplied by one provider, hence any move to improve efficiency by way of splitting the NRS is not possible. This amendment will rectify that situation by allowing for more than one operator to provide elements of the National Relay Service whilst still providing world-class telecommunications services for hearing and speech impaired clients.

Having said that, I note this amendment does not compel the government to split the provision of NRS services. It is still possible for a single entity to supply all services if it bids and wins the tenders on each component. So, in effect, this amendment does not disadvantage the existing service provider and does not affect its ability to tender for the new contract across a range of internal services. On that note, if the NRS is split between two or more providers, as is provided for in the legislation, I would urge each entity to liaise closely and make a real commitment to effective teamwork. Nothing would be worse than leaving hearing and speech impaired people in an interregnum where they could not communicate properly with their fellow Australians.

To date the NRS has only ever operated under one service provider, and I am anxious to see that a separation of the actual service provision and the outreach/support components of the NRS does not lead to a possible weakening of the NRS overall. It is important that we get this right because Australia’s ageing population means there will be a growing demand placed on the NRS in the future. On average, 2,200 calls are made using the NRS system every weekday, and over the last financial year more than 627,000 calls were logged. Those calls resulted in more than four million minutes of relay service and, with projections that 25 per cent of our population will be aged 65 and over by 2051, the demand for such services will increase dramatically. I appeal to future NRS providers to consider taking up new communications technologies such as internet relay, which allows users to access the NRS via the internet, and video relay, which allows signing deaf and hearing impaired people to communicate in their first language without the need to have to type all of their input into an intermediary.

I would just like to add two notes of caution. One is based on the recent comments of the member for Perth. As there is bipartisan support for this, I understand where he is coming from. It is very important that, as we potentially transfer these services to other operators, we do not allow the services to be weakened in any way. I do not want my next comment to be interpreted as being driven in any way by any form of xenophobia or criticism of the accents of potential call operators, but I would like to make this very serious point: this is a very sensitive service. It deals with people who are challenged in communicating in even a basic way with their fellow Australians. It is a vital part of social interactivity. To my way of thinking, it is central that the operators who run this service understand and are understood. The nuances of accent will be very important. Most people who use the service will be Australians or migrants who by now would be familiar with the Australian accent and, therefore, to have operators with other accents could be a very difficult and more challeng-
ing atmosphere in which people with hearing and speech impairment operate.

I have a son who works in a call centre—nothing to do with this service, I might add. He tells me that the nuances of speech and accent that go with nationalities are a very important part of marketing. When we are talking about marketing, that is for commercial gain. We understand that, if someone wants to take the risk of using other accents on their service, that is the commercial chance they take. But when we are talking about a vital, integrated service for people who are already challenged in their speech and their hearing, we must not in any way be cavalier. I would appeal that the tender documents issued by the government reflect this requirement. I think it is absolutely important that that be the case.

One of the most important things we can do as a government is provide an expanded, efficient, cost-effective and reliable telecommunications service for people with special hearing and speech needs. This legislation gives us the potential to do just that. I commend the bill to the House.

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (5.44 p.m.)—In rising to address the Telecommunications (Consumer Protection and Service Standards) Amendment (National Relay Service) Bill 2005, I want to extend my thanks to the member for Perth and, in particular, to the member for Hinkler for their support and contribution to this debate. This bill is about three fundamental principles. It is about service, it is about competition and it is about transparency in the provision of assistance to those people who suffer from hearing and speech impediments within our society and who rely upon the National Relay Service program as a means of communicating and maintaining contact with both their loved ones and the outside world.

The points made by the member for Hinkler were threefold. I hope I do his speech appropriate justice. Firstly, it was about the role of existing technologies and the need to open up new technologies. He identified the fact that under the current National Relay Service there is text based communications—the TTY system—a speech impairment relay system, a voice carryover system and a speech-to-speech system. But, significantly, he pointed to the fact that under the National Relay Service we need to provide opportunities for new technologies to assist those people who do suffer from hearing or speech defects. I would just make the point in response that this bill attempts to do that by protecting the services for those who have existing technology whilst opening up the possibility through the competitive tender process for other types of communication in the course of future activities. That is still to be determined through the process, of course.

The second point which the member for Hinkler made was that this bill leaves open the option to contract with one or more providers. It makes no predetermination as to how many providers there are, but what it does do, in line with the principles which the government endorses, is open the tendering process up to competition. Thirdly, the member for Hinkler made the very important point—which is appreciated by the government—that it is critical to maintain the quality and accessibility of the service for ordinary Australians who suffer from speech or hearing defects and their capacity to interact with their providers. It is a simple, important point about the realities of life for everybody. I also thank the member for Perth for pointing out that one of the necessities behind this bill is the fact that technology and competition within industry have evolved, so we
have a much greater increase in the role of call centres than was envisaged at the time that the original bill was brought into being.

In summary, the National Relay Service is a telephone relay service which provides people who are deaf or who have a hearing or speech impairment with access to a standard telephone service and to a text based emergency service. This service operates 24 hours a day every day of the year. It is funded through a levy on eligible telecommunications carriers. This bill introduces amendments allowing the Commonwealth greater flexibility in the model for delivering a more efficient and effective National Relay Service by providing for the option of contracting with more than one provider, exactly as the member for Hinkler outlined as a possibility, to supply different parts of the National Relay Service. This option is also important to enable a staged transition between service providers in the event of a new provider winning a tender for provision of the NRS. A staged approach would mitigate risks to the reliability and contingency of services for users of the NRS during the transition from the outgoing to the incoming provider if such an event were to occur.

Finally, the objective is to provide a more efficient and effective National Relay Service so that the deaf, the hearing and the speech impaired communities continue to receive a high-quality and reliable service. I commend the Telecommunications (Consumer Protection and Service Standards) Amendment (National Relay Service) Bill 2005 to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.
tralia with a tax treatment that would apply if
those foreign residents made such invest-
ments directly. Schedule 3 implements three
distinct amendments that relate to the impos-
sition of interest withholding tax. They seek
to ensure that the IWT provisions operate as
intended and are consistent with recent de-
velopments in tax law.

The Labor Party support this bill on the
basis that Labor support good tax design and
good policy. Labor have a great history of
commitment and passion for ideas and re-
form. As I have said before, the No. 1 goal of
Labor and the No. 1 expectation of the Aus-
tralian people is that policy must be based on
what is right for the nation as a whole. When
we are developing and assessing alternative
policies we will examine all the options, not
with an eye to those whose support they
might attract but with an eye to their overall
impact on our economy and society. Unfor-
nately, the government have been focused
on short-term political fixes—as the minister
at the table, the Minister for Human Ser-
services, knows; look at his portfolio—rather
than on the economic reforms necessary to
make Australia more internationally com-
petitive and to sustain economic prosperity
into the future.

In the early years the Howard government
styled itself as a model of fiscal restraint—a
reputation blown away by its $66 billion
spend since the last budget. It has been abso-
lutely blown away.

Mr Hockey interjecting—

Mr SWAN—Of course the minister oppo-
site is now left with all the headaches. Have
a good time, Minister. We will be watching
you very closely. That is an average of $13
billion every month from budget to election
day. To put this into perspective, let us con-
sider that the Howard government have
committed an average of $4 billion in new
spending in non-election years. This year the
government have committed 16 times that
amount. The government have form when it
comes to pre-election spending sprees, as we
saw in 2001; it is just that this time the elec-
tion spending spree was taken to a com-
pletely new level. We had ‘crazy John’s fire
sale’ during the election. It is not just the
magnitude of such spending; it is also the
fact that the money was not invested as pro-
ductively as it should have been. Access
Economics summed up this missed opportu-
nity very well:

... if the official view is that Canberra should be
spending on raising productivity and lifting par-
ticipation, then the $66 billion spent across a five
year period starting with the Budget in May does
not stack up terribly well against those yardsticks.
Not only has this spend been irresponsible; it
has also led to a missed opportunity and has
now put upward pressure on interest rates.

The IMF’s report on Australia last year
said that the ‘short-term stimulatory effect ...
could complicate monetary policy formula-
tion’. That is code from the IMF; it is a re-
buke to this government, and we are now
living with the results. The price that must be
paid by the Australian people for this gov-
ernment’s $66 billion spending spree during
the election is higher interest rates, which the
Reserve Bank said last Monday week are
now on the cards, regrettably. It is an inevi-
table consequence of the $66 billion spend-
ing spree that the government embarked
upon from the budget last year right through
to the election campaign. Bear in mind that
the report from the IMF had been written
before John Howard went on his mad elec-
tion spending spree during the campaign it-
self. Even by IMF yardsticks, we are going
to have an even bigger stimulatory effect
arising from the spending of $100 million a
minute during the policy speech itself.

After running an election campaign on
trust and promising to keep interest rates
low, the government’s lies are now being
exposed and paid for. If interest rates are to go up—and that will be regrettable—the responsibility will lie with ministers such as the minister sitting opposite. The minister opposite will bear responsibility for this, as will the Prime Minister and the Treasurer.

Mr Hockey—Minister for Human Services.

Mr SWAN—Yes, that is right. You will live with the consequences, Minister. And we will hold you accountable on a daily basis for it.

Mr Hockey interjecting—

Mr SWAN—We certainly will. The Reserve Bank have made it quite clear that the likelihood of interest rate rises has increased substantially since the election. Their report at the end of last year was quite benign, but their report two weeks ago made it very clear that this government is responsible for the upward pressure on interest rates. It can be to the government’s policies that the Reserve Bank was pointing. Nothing else has changed between November and two weeks ago.

The Treasurer seeks to deflect the blame for rising inflation and interest rates onto workers. As the RBA made it quite clear, there is no hard evidence of widespread wage pressures arising. Instead, what the RBA did point to were capacity constraints linked to inadequate infrastructure and skill shortages—areas within the control of this government but for which it has never been prepared to accept responsibility. We had the Treasurer in the House again today playing the blame game. He came in here seeking to pass responsibility for capacity constraints in the ports solely to the states, as though it had nothing to do with the Commonwealth government.

During the election campaign the Treasurer claimed there was evidence that additional family payments were being saved—and of course the Minister for Human Services sitting opposite would know all about this. However, just last week the Treasurer was boasting that one family payment lump sum was being used to purchase a greyhound, which he seemed to think was a terrific outcome. It was an unusual way to promote the policy that was supposed to give families the opportunity to buy textbooks and uniforms, get work done on the car or start saving.

What we do know is that this Treasurer dogged the opportunity to deliver real reform to the tax and family payments systems, and what we are left with is a dog’s breakfast. He has dogged the reform our economy needs to guarantee future growth, banging on instead about a dog-eat-dog industrial relations system. That is the only recipe that this Treasurer has for reform of our economy. It is simply a sole focus on bashing workers rather than a wide based reform program which invests in productivity and meets the real problems facing this economy.

By far the most damning criticisms of this government’s policy have come from the OECD’s report card on Australia issued a few weeks ago. What the OECD said was quite plain. They said reform efforts had slackened off. The slackening off has occurred across the board, with all the drivers of economic growth being neglected, including labour market participation, productivity, tax and education. The Treasurer likes to stand up in this place at every opportunity and point the finger at everyone but himself. Listen to what the OECD said on the Commonwealth government’s competition reforms:

Bringing the reform programme to completion according to an announced timetable is important to avoid the impression that difficult reforms can be deferred indefinitely. Among jurisdictions, the federal government in particular should make stronger efforts to raise its own compliance rate,
which has been among the lowest of all Australian governments and is not commensurate with its leadership role in promoting enhanced product market competition.

There is the OECD saying that the Treasurer has fallen behind even the states when it comes to product market competition. With the neglect of competition reforms, it is no wonder that Australian’s exporters are struggling. Australia has now run 38 trade deficits in a row, with no end in sight. The current account deficit is heading towards seven per cent of GDP despite the best terms of trade in 30 years.

Mr Brough—Mr Deputy Speaker, I rise on a point of order. I do not wish to stop the member in full flight, but this is a very tight measure and I would ask you to bring him back to the bill before us.

The DEPUTY SPEAKER (Hon. A.M. Somlyay)—The member for Lilley will confine his remarks to the bill.

Mr SWAN—Certainly, Mr Deputy Speaker. This is a bill about international tax arrangements and I am directing my remarks to that. I am talking about the international competitiveness of this economy and the fact that it is not internationally competitive has led to 38 trade deficits in a row. What could be more pertinent to the title of the bill? It just shows you that this government do not get the problem. They simply do not understand. We are not internationally competitive, and they have been criticised severely by the OECD for the lack of international competitiveness. That is the whole point. The minister has just demonstrated his profound ignorance of the problem that is facing the country.

The Reserve Bank stated only two weeks ago that they are expecting a 6¾ per cent current account deficit for the December quarter. Only last week or early this week the Commonwealth Bank was talking about a current account deficit of seven per cent. If the terms of trade were now closer to the average that we have experienced over the last 10 years, we would be looking at a current account deficit in excess of nine per cent of GDP. When we head into that territory we are heading into very high foreign debt, which has now hit 50 per cent of GDP. So we certainly have a problem of international competitiveness, and this is another factor in addition to the government’s spending spree putting upward pressure on interest rates. And all that impacts on the average family.

The price that will be paid for this government’s policy complacency and their spending spree during the election campaign is going to be increased interest rates for average Australian families battling to pay off their mortgages and bring up their kids. Nothing could be more relevant to our international competitiveness than that very basic fact. More than ever as a country we are reliant on foreign savings. The Treasurer used to say that a high current account deficit and foreign debt led to higher interest rates. His feeble excuse in this House last week is that now it is mainly a private matter. He says it has nothing to do with him any more. All of the debt is private.

Mr Hockey—It’s got to be twin deficits!

The DEPUTY SPEAKER—Order! The minister will cease interjecting.

Mr SWAN—that is not what the OECD says. That is not what the IMF says. That is not what Standard and Poor’s says. No-one of any economic credibility agrees with that reply from the Treasurer, because he is running away from responsibility. Peter Costello in this House, again last week, tried to say that the current account deficit was cyclical, that it is a function of a strong economy, that it was caused by the high dollar—

Mr Brough—Mr Deputy Speaker, I rise on a point of order. This is not a debate about
the current account. This is a bill called the New International Tax Arrangements (Managed Funds and Other Measures) Bill 2004. There has hardly been a word uttered by the member for Lilley which has been even remotely directed towards this. I would ask him to please be brought back to the substance of the bill.

The DEPUTY SPEAKER—The member for Lilley will return to the bill.

Mr SWAN—Certainly, because what this country needs is international competitiveness. What it needs is an internationally competitive tax regime so that we can compete, so that we can export more and so that we can actually pay our way in the world. That is what this country needs, and that is why this bill is so important. We do need to be internationally competitive, and that is why we need an internationally competitive tax regime, which apparently we have not had or these amendments would not have been necessary.

The truth is that we need to do better. We need to export more. Australia has been distracted by bilateral free trade agreements when the main game should be reinvigorating the multilateral trade round.

Honourable members interjecting—

Mr SWAN—Absolutely! You are asleep at the wheel when it comes to doing something about our export performance. The recent trend towards free trade agreements is a departure from APEC’s commitment to open regionalism and liberalisation via the WTO. We need a much broader approach to trade if we are going to come to grips with the problems in our current account deficit and do something about our very poor export performance. We simply have to do better for the future of the country to guarantee our future prosperity.

This bill goes a small way towards lifting Australia’s competitiveness but much more needs to be done. On tax we most certainly need to be smarter and more competitive. My discussions with business to date have revealed that Australia’s international tax arrangements have acted as a barrier to attracting the best and brightest minds and entrepreneurs to this country. We are in the same time zone as Asia and can offer an attractive place for the brightest and the best minds to settle and to work. While mindful of protecting Australia’s revenue base, it is important to have a competitive tax system so that we can provide our business sector with a competitive edge.

With this in mind I support the international tax arrangements bill, but I am also interested in going further. For example, one issue that has caught my attention is the capital gains tax deemed disposal rule that applies to certain foreign citizens working in Australia. The rule means that after a period of five years residing in Australia if they become a non-resident they incur a capital gains tax liability irrespective of whether they have disposed of a specified foreign-held asset. To me this does not appear to be good tax design. I understand that the issue has been pursued through double tax arrangements. However, I am keen to hear from the government of ways that the process can be expedited and extended. Having an internationally competitive and efficient tax system needs to be a top priority.

Despite the challenges Australia faces, all we have heard from the government on tax reform are the mumblings of the so-called ‘ginger group’. Using the word ‘group’ is probably a stretch but, anyway, I will dignify them with the term. As far as I can tell it appears to be the usual grab bag of the usual conservative hobbyhorses—I have seen indexing the tax scales, getting stuck into welfare recipients, income splitting and lifting the tax-free threshold. About the only issue that seems to bind this odd assortment of
disgruntled backbenchers is a belief that the government is the highest taxing government in Australian history—and they have certainly got that right. I certainly agree with them on that. The Howard-Costello government is reaping more than $100 billion extra a year in taxes compared to the tax take it inherited from Labor. That is a staggering $12,000 extra in tax paid by households next financial year compared to 1995-96, and that is even the case with the tax cuts due in July.

We do need substantive tax and welfare reform, and it requires a lot more than the simplistic, ill-considered statements made by the members of the ginger group. In particular, the complex tax and welfare mess needs to be addressed. That minister over there is certainly not up to the task. The interaction of a vast array of different payments, withdrawal rates, thresholds, rebates and tax rates creates a system that is impossible to understand and punishes effort. Australia needs a tax system to be reviewed with an eye to lifting the efficiency and equity of the system. We need to lift the competitiveness of Australia’s tax system in attracting and retaining workers and one that addresses the potential distortions that arise in the current system.

Looking at those ministers opposite, you can absolutely understand why it is such a dog’s breakfast. Just look at them rabbiting on. They have not got a clue about how to fix the disincentives and the punishment in the system. They would not have a clue about the impact of effective marginal tax rates on people on average incomes—not a clue. And they would not have a clue about addressing the issues to do with participation in our system—not a clue. That really demonstrates the problem we have in this country. While Liberals continue to rabbit on about an odd assortment of reforms, this country absolutely needs fundamental tax reform and particularly tax reforms that deliver to those families who are hit by very high effective marginal tax rates.

Minister, people on average incomes do not work harder and do not give up their family time to hand back to you 40c in every additional dollar they earn in overtime. That is the system that you left in place during the last election. You added to it, made it more complicated, and left these people with the tax burden that is crippling them and does not reward effort.

Mr SWAN—That is your legacy and that is the problem in the agency that you happen to administer. You should stand up and admit responsibility for it.

The DEPUTY SPEAKER—Order! The member for Lilley will direct his remarks through the chair.

Mr SWAN—Mr Deputy Speaker, I support this international tax arrangements bill, but let us have a broader debate.

Mr SLIPPER (Fisher) (6.19 p.m.)—Having listened to the member for Lilley with that diatribe I believe one could mount a very substantial case to change the way that bills placed before the House are given a certain form of short title. For instance, this bill, the New International Tax Arrangements (Managed Funds and Other Measures) Bill 2004 has as its short title ‘A bill for an act to amend the law relating to taxation, and for related purposes’. It has long been a hobby-horse of mine that it would be better if the drafters of legislation actually had had a tighter title to the bill so that people could only talk about the substantive matters in the bill rather than any particular matter in relation to taxation and for related purposes. If you had not heard the member for Lilley say at the end that he supported this measure it would have been very difficult to understand
that the opposition was in fact supporting the government in this very important initiative contained in the New International Tax Arrangements (Managed Funds and Other Measures) Bill 2004.

The difficulty is—and we saw this when the GST was introduced—that, over and over again, members were able to re-debate aspects of taxation that had no direct relation to the particular measures before the House. So there has been a vast amount of repetition. There has been an incredible misuse of the forms of the House by the opposition. I suppose the reason that they are able to get away with it is because the legislation is not drafted in the title of the bill in the way that requires them to debate the particular bill, and they can relate any peripheral issue in relation to taxation when debating any bill brought into the House by the government concerning taxation of Australians.

This particular piece of legislation has had an interesting history. Prior to the election it was introduced and it lapsed when the parliament was prorogued prior to the election. The government believes that this legislation is an important initiative and thus, post the election when we were comprehensively returned to office and the Labor Party was rejected once again by the Australian people, the government reintroduced this legislation for debate. Hopefully, the legislation will be carried by both houses and the very important benefits that will flow through to the community will indeed be received.

As the Bills Digest points out, there are three schedules to the bill. The purposes of the amendments to the tax law proposed in each schedule are, with respect to schedule 1, that there will be changes to the tax treatment of foreign residents who make a capital gain or loss in respect of an interest in an Australian fixed trust. Schedule 2 includes amendments to the International Tax Agree-ments Act 1953 aligning the tax treatment of foreign residents investing through managed funds that derive some or all of their income from sources outside Australia with the tax treatment that would apply if those foreign residents made those investments directly. The third schedule to the bill intends to implement three distinct amendments that relate to the imposition of interest withholding tax, seeking to ensure that the interest withholding tax provisions operate as intended and are consistent with recent developments in the tax law.

There will not be a substantial financial impact as a result of the carriage of this legislation but the impact will indeed be beneficial. The bill seeks to concentrate on removing distortions in international tax laws to make this country’s managed fund industry more attractive to foreign clients. I think most people would agree that it is important for us as a nation to attract as many foreign clients as we can. Most people appreciate that we have a significant managed fund industry facilitated by the strong economic performance of this government. We have a highly educated work force, a low-cost infrastructure, advanced regulatory systems and sophisticated financial markets.

It is, however, important to appreciate that we ought not rest on our laurels; and this is why this particular piece of legislation is being proposed. It is good that the opposition is supporting it, although it is eminently regrettable that the member for Lilley seems to forget the appalling 13 years of the Hawke and Keating governments and the economic basket case that was Australia when we inherited the reins of office in 1996. It is a pity that he plays politics. It is important that people see through the rhetoric of the member for Lilley. He does make a lot of wind but does not necessarily make a lot of sense.
The New International Tax Arrangements (Managed Funds and Other Measures) Bill 2004 is an important piece of legislation and it is vital that it proceed expeditiously through parliament. This bill is identical to the previous bill that was introduced in the last parliament, with the exception that some reasonably complex provisions concerning starting dates have been changed and the commencement dates for the individual schedules have been replaced by a new item 2, which provides that the entire bill will commence upon receiving royal assent. In my view this is an important change which will make implementation of the bill, once law, more effective. I commend the bill to the chamber.

Mr BROUGH (Longman—Minister for Revenue and Assistant Treasurer) (6.25 p.m.)—in reply—I particularly thank the member for Fisher for his contribution. I would like to thank the member for Lilley but he did not actually talk about the bill. I was actually hoping that he would be here because I did have an invitation for him. He stands here and lectures the government about all of the issues to do with financial rectitude and looking after Australia’s families. I invite him when he is next in the chamber to inform the Australian public that he has worked out that the $600 family payments are in fact real money. Once he has that fundamental issue off his plate then he can move on to bigger and more significant issues when it comes to international tax arrangements. I am not deriding for one moment the absolute significance of those payments to the welfare of our families.

In the 2003 budget the Treasurer announced the outcome of the review of international tax arrangements, foreshadowing over 30 initiatives designed to modernise Australia’s international tax system. In a statement at the time the Treasurer said:

... to maintain Australia’s status as an attractive place for business and investment, the tax system needs continually to adapt to the international business environment. Never were truer words spoken. I take the opportunity to congratulate my colleague and minister at the table here who at the time was Minister for Financial Services. I think it said a lot about the government’s commitment to making Australia a global hub for financial services that Minister Hockey was the first ever minister for that particular portfolio. The government recognised the significance that the financial markets play and the importance of taking a lead role in these measures. So that largely commenced in 1996 and we have absolutely remained committed to ensuring that Australia is an attractive place to do business in the investment field in particular.

The package of reforms announced by the government will improve the competitiveness of Australian companies with offshore operations. These reforms will reduce the cost of complying with the controlled foreign company rules, reduce tax on foreign ‘active’ business income and effectively reduce foreign taxes by modernising Australian tax treaties. The reforms will encourage the establishment in Australia of regional headquarters for foreign groups and improve Australia’s attractiveness as a continuing base for our multinational companies. The reforms will also enhance competitiveness and reduce the compliance costs for Australian based managed funds.

The government first delivered on these announced reforms with the signing of the new tax treaty with the United Kingdom. The treaty was enacted in 2004. It provided significant benefits for Australian based multinationals operating in the United Kingdom. The New International Tax Arrangements Act 2004 and the New International Tax Arrangements (Participation Exemption and
Other Measures) Act 2004 implemented many more of these initiatives. The changes reduced compliance costs and minimised the tax burden on the offshore operations in Australia’s multinationals.

The bill before the House is a further instalment of these ongoing and important international tax reforms. The bill focuses on making the Australian managed fund industry more attractive to foreign clients. Australia has a significant managed fund industry facilitated by the strong economic performance of the Howard government, a highly educated workforce, low-cost infrastructure, advanced regulatory systems—which cannot be understated—and sophisticated financial markets. Reforms in this bill reduce taxation impediments to further growth in this area. These changes allow Australia’s managed funds to become more internationally competitive, increasing their attractiveness to nonresidents. Under current capital gains tax arrangements, nonresidents investing in assets through an Australian managed fund may be taxed more heavily than if they invested in those assets directly through a foreign fund. Measures in this bill will eliminate these distortions.

The size of the Australian fund management pool and its prospect for continued growth are drawing global firms to establish operations here in Australia. The resultant clustering of activities and concentration of expertise have created a robust domestic industry. This infrastructure provides a framework for Australia to become the funds management hub for the Asia-Pacific, and these reforms will remove impediments to achieving this goal.

This bill has very strong business support. I thank all in the business community who were involved in the process of developing this bill for their consultation and for their constructive approach to working with Treasury to ensure that we get it right. The future of the Australian economy is fundamentally linked to global prosperity and to Australia being part of that prosperity. That is why I found the comments today by the member for Lilley when he said that the government was ill-directed—I cannot quite recall the exact word he used—when we looked at bilateral relations with the US. It is the single largest economy in the world, and he derides the government for taking on the enormous task of securing a free trade agreement so that we can push forward with our trade with the US and, in doing so, help the balance of trade.

This bill is an important part of modernising Australia’s international tax system to make the most of Australia’s potential to market financial products to foreign investors. It is yet another instalment of the government’s total commitment to ensuring we are at the forefront of both regulatory and tax improvements, so that overseas investors find this a safe, secure and a viable country to invest in, which at the end of the day will make us a more prosperous nation. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mr BROUGH (Longman—Minister for Revenue and Assistant Treasurer) (6.32 p.m.)—by leave—I move:

That the bill be now read a third time.

Question agreed to.

Bill read a third time.
Debate resumed from 15 February, on motion by Mr Brough:

That the bill be now read a second time.

upon which Mr Swan moved by way of amendment:

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 its:

(1) dishonest promises during the 2004 election campaign that it would keep interest rates low;

(2) short-term, reckless spending during the lead up to the 2004 election, which is adding to inflationary and interest rate pressures;

(3) gross neglect of Australia’s education and training needs, leaving Australia with a skills crisis which is adding to inflationary and interest rate pressures; and

(4) failure to secure Australia’s economic future by making the long term policy commitments that will improve the productivity and competitiveness of the Australian economy”.

Mr RICHARDSON (Kingston) (6.32 p.m.)—I rise today in support of the government’s Appropriation Bill (No. 3) 2004-2005 and related bills introduced into this House. The Howard government went to the Australian people at the last election seeking a fourth term in government. When we did so, we promised the Australian people that we would put in place an agenda which directly addressed their most vital needs. Each and every member of the Howard government is closely in touch with the people of their electorates and their needs. For that reason we have been able to put together an appropriations package that will directly impact on the needs of the Australian people. I can assure you of that, Mr Deputy Speaker, because I see every day in my electorate of Kingston that the Howard government’s policies are supporting and addressing the needs of my constituents.

The electorate of Kingston, which I represent in this House, is an exceptionally diverse and progressive area. Located in the southern suburbs of South Australia, it is an electorate that contains diverse industry from myriad sectors, all facing a plethora of different challenges over the coming years. My electorate will face increased and varied challenges over the coming years, but in the short time I have been the representative of the fine people of Kingston I have come to get a real sense of optimism from them. It is a sense of optimism which stems from the confidence Australians have in the Howard government. The challenges that face my electorate are wide and varied but I seek to present some of them to the House today, along with a brief explanation of how the Howard government’s policies are making a difference in the lives of my constituents as well as filling them with the sense of optimism and hope that I spoke of earlier.

I bring up the issue of crime first because it is an issue I can speak about with a certain level of authority, based on the fact that I spent the last 28 years as a member of the South Australian police force. I have seen first-hand the devastation that high levels of crime can have, not only on victims but on entire communities. Since my election to the federal seat of Kingston I have lobbied the South Australian government on policing numbers, not only in my electorate but right across the state of South Australia. I have made no secret of the fact that it is an issue I will continue to pressure the state Labor
government about. The Howard government shares my concern and that of my community about crime. It has shown its dedication to the issue in its recent crime prevention package of funding.

On top of the $8 million in funding for crime prevention and community safety, the Howard government has committed a further $10 million over the next 10 years. The structure of this funding is particularly appropriate to the needs of the community and community groups in my electorate. The government’s National Community Crime Prevention Program provides funding to community groups and projects which are working at the coalface. I am talking about community groups working directly in their communities to help prevent crime and who now receive funding from the federal government to do so. This is by far one of the most aggressive strides taken to prevent crime at a genuine and grassroots level. The success of these programs is evidenced by the 186 applications that have already been made for the funding. But it is more than that; it is just plain commonsense.

We cannot force the state Labor governments to allocate appropriate funds to crime prevention, police numbers and police resources, so we have done the next best thing: we are finding groups and projects from the local area, for the local area. We are getting groups and individuals who know the demographics of an area, and the hardships faced specifically by the people of that area, and providing them with the funding to continue their hard and valued work. The Howard government is dedicated to doing all it can to prevent crime not only in my electorate of Kingston but across the nation.

The government recognises that we possess no greater asset than our youth. This government has worked tirelessly to ensure that we hand to the future generations an Australia which is in the best possible position in every facet of Australian life, from the culture—the Australian way of life—to the ability of future generations to access health and education programs which are financially able to support their needs. But we want to go further; we want to ensure that that legacy is handed to Australians who are as equipped as they possibly can be to take this nation into the future—and that is why we are dedicated to providing the best possible education to the children of this nation.

The government’s commitment to our young people and to education in this country is clearly outlined in the substance of our $1 billion initiative to restore and rebuild Australia’s schools infrastructure—infrastructure which is needed for current and future generations. The government recognises the fine work, commitment and passion of our teachers and parents in providing a meaningful and fulfilling learning environment for all our children. That is why our funding commitments are being provided directly to schools to support the capital projects that school communities have identified.

Across Australia, the Howard government’s $1 billion investment is funding high-priority projects that will enhance the educational amenity of our schools. The list includes classroom improvement, library resources, computer facilities, airconditioning and heating, outdoor shade structures, play equipment, security fencing and many other essential amenities, all chosen in consultation with school principals and school-parent committees. Projects of this nature are often desperately needed by school communities—particularly in my electorate—but never seem to rate highly enough on the list of priorities of the South Australian Labor state government and state governments nationwide.
Earlier this week, I spoke in the House about Morphett Vale High School and the work of the Southside Christian Centre, which are both located in my electorate. It was the story of a public school so desperately in need of an upgrade of its basic infrastructure facilities that a local group of Christian volunteers put up their hands and rolled up their sleeves to get the job done. This school was failed by a state Labor government that neglected their needs. But, worse than that, the state Labor government did not even understand what those needs were. The Howard government will not stand back and continue to allow state bureaucracies to underfund education for our young people and to underfund the infrastructure development of our schools. We will continue to work with peak school-parent groups and principals’ organisations to deliver results for our state, independent and Catholic schools alike, through our policies which provide grassroots funding where it is so desperately required. With a grant under the Howard government’s new program, the Morphett Vale High School would not have had to rely on the dedication and selflessness of Christian volunteers to keep their school going, but would have had access to funding that directly targeted their needs.

In an attempt to address the issue of skills shortages in the traditional trades, the Prime Minister announced in October last year a program to build and develop 24 Australian technical colleges. A consortium from my electorate has put in a submission to the government, seeking to build one of the 24 technical colleges in Adelaide’s southern suburbs. I will lobby Minister Hardgrave, on behalf of the electorate of Kingston, for the establishment of such an initiative.

Yesterday the Deputy Leader of the Opposition stood in this House and said no technical college would open its doors by 1 January 2006 and no graduates would emerge before 2010. I am here to tell the Deputy Leader of the Opposition just how wrong she is. The consortium from my electorate and other Liberal Party electorates, which has made a submission to the government, has clearly stated that, assuming its proposal is accepted no later than July this year, it will be ready and willing to open the technical college’s doors to the first intake of students at the beginning of next year. The Deputy Leader of the Opposition may wish to stand before this House poking holes in this program, but she should remember that Australian people and businesses are dedicated to making this program work because they see and understand its real value for individuals, industries and communities alike. It would probably take an excessive amount of time to get a program like this up and running under a Labor government. The people of Australia put their faith in the Howard government at the last election because they understood this government’s dedication to providing real solutions to real problems. The introduction of the technical colleges is an example of that dedication.

The Howard government has consistently demonstrated its commitment to protecting and strengthening Medicare and delivering high-quality affordable health care to all Australians. In the electorate of Kingston, I represent a broad spectrum of the community who have varied requirements from the health system. I deal with elderly Australians who are looking to enter aged care facilities, working Australians who are simply seeking to access the health system without paying an arm and a leg, and young families, in all kinds of economic situations, who simply need to know that they can keep their families healthy despite their financial circumstances. The Howard government is listening closely to the needs of all those groups in order to provide a health system that is responsive to their needs.
The government’s Medicare policies have delivered targeted incentives to encourage GPs to bulk-bill children under 16 and concession card holders. In addition, the government has implemented measures to ensure that the Australian health workforce remains capable of meeting community needs as our population grows and ages. The government’s Medicare safety net has brought greater peace of mind to all Australians, and substantial new benefits have already gone to thousands of Australian families. The health policies of this government remain an important issue in my electorate and they are vitally at the forefront of the minds of the constituents I represent.

It is blatantly clear to me that the policies of this government have delivered real outcomes and results for the people of Kingston. As is the case nationally, bulk-billing rates in Kingston have risen significantly over the past 12 months and are now at 72.4 per cent—up 10.6 per cent from year-end 2003. These are not insignificant statistics. These statistics mean that under the Howard government the people of Kingston do not have to consult their bank balance before consulting their doctor. Nationally, more than seven out of 10 GP attendances are being bulk-billed and more than eight out of 10 GP attendances to people over 65 years of age are being bulk-billed. This is the first time in 10 years that the national bulk-billing rate has increased over four successive quarters.

During the election campaign we heard much rhetoric from the Labor Party about how the re-election of the Howard government would spell the end of Medicare. Well, today I stand here in the House and present not empty rhetoric but cold hard facts that show that the Howard government is strengthening Medicare and the health system alike. And the people of Kingston, like all Australians, are benefiting from Howard government policies which address their needs.

I turn now to the issue of families and communities. I am not just a former police officer or a politician; I am also a father and husband, and I have a first-hand understanding of the ever-growing challenges facing Australian families. As a father I have watched my two sons grow into young men, and as a police officer I have watched and played a part in the lives of other families. As a football coach I have watched other parents’ young boys develop into young men and I have helped to guide them through the challenges that life throws at them. But in all my experience I have learnt that there is no greater asset in life than a person’s family.

Mr Deputy Speaker, I now stand before you and the House as all those things—as a father, police officer, football coach, member of the Kingston community and representative of the people of Kingston—and I do so with a lifetime of experience and understanding of the needs of the families in my electorate and the community. It is the understanding of our communities by the Howard government that underpins our Stronger Families and Communities Strategy. It is a strategy to which the government has committed $365.8 million to provide support for local initiatives that intervene early to help families, children and communities at risk, with a particular focus on the early years of a child’s life. This commitment empowers grassroots community-based organisations such as Anglicare SA, in conjunction with United Care Wesley, to work with families and communities in Kingston to ensure their needs are supported.

The needs of each family differ and this funding initiative allows the organisations working with needy families in the community to assess what their needs are and how best to address them. Anglicare SA, in con-
juncture with United Care Wesley, will receive $3 million in federal funding in 2004-05 through the government’s Stronger Families and Communities Strategy, which will assist the Communities for Children in Onkaparinga project. The project establishes parent groups and parenting courses, improving coordination between family, health and other services such as schools and day care centres. And all of this is in consultation and partnership with local community stakeholders, community leaders and local organisations.

In conclusion, I am a very proud member of the Kingston community. I am proud every day that I stand in this House and represent the fine people of the electorate but I am always filled with an added sense of pride when I reflect on the Howard government of which I am a part and how we are delivering real results for the people of the electorate I represent. I have outlined only a few measures taken by the Howard government to protect and enhance the lives of the people of Kingston—and indeed all Australians—but they are examples which reaffirm the commitment and dedication of this government to make life that little bit easier and that little bit better for all Australians.

Australia is filled with mothers and fathers of sons and daughters who deserve a government who will fight for their future and fight to provide them with the services they need the most—and this government does that. The Howard government went to the Australian people at the last election seeking a fourth term in government and we returned with a mandate to represent the people of Australia and provide them with real solutions to their very real problems. This government and this nation are not just about today; this government and this nation are also about the future, and we strive every day to provide a genuine future for the nation we represent and to provide a legacy we can be proud of for generations to come. I support this bill because, like every member of this government, it strives to achieve those goals. It is for that reason that I commend this bill to the House.

Mr KELVIN THOMSON (Wills) (6.52 p.m.)—Each of the last four election victories of the Howard government have been marred by the deceit of the Australian people and allegations made by the government which simply have not stood the test of time. In 1996 the now Prime Minister said that there would never, ever be a GST. He was subsequently forced to say, ‘We’ve kept our core promises,’ leading to the infamous division into core and non-core promises—of course, the non-core promises being election undertakings, commitments made to the Australian people which were not honoured. In 1998 in my home state of Victoria we experienced the Longford gas disaster and, on election eve, the government announced that there would be $100 million to compensate Victorians for the inconvenience and hardship arising from that disaster. After the election, we discovered that this amount was ‘up to $100 million’, and in fact something like $7 million was paid out. Prior to the 2001 election we had the notorious ‘children overboard’ affair. We subsequently learnt that no children had been thrown overboard, that former minister Peter Reith knew that no children had been thrown overboard but made no attempt to correct the public record which he had generated through his statements and, indeed, that in all probability Minister Ruddock and the Prime Minister were in the same situation.

Prior to the last federal election, we had the campaign based around low interest rates, which I will mention later. Also over in Western Australia a woman by the name of Melinda Poor rang ABC radio in a talkback call which caused a great deal of electoral grief for the Labor member for Stirling. This
person, who described herself as an ‘ordinary mum’, has now turned up as Liberal Party candidate Melinda Poor in the Western Australian state election. It is interesting that she has done this, because the *West Australian* contacted Mrs Poor in December 2004 to confirm that she was indeed the Liberal Party candidate for one of the state electorates and asked whether she knew Mr Keenan, the member for Stirling, before making the talk-back call in September. She said, ‘No, I didn’t.’ As it happens, the *West Australian* has a copy of the July 2004 campaign newsletter of the member for Stirling, which says:

Michael is well aware of the growing problem of graffiti and recently met with local mother Melinda Poor, of Dutton Crescent in Hamersley, to discuss this important issue.

Mrs Poor told Michael that there are increasing levels of graffiti across the suburb.

I do not think it is a great qualification for public office that you are prepared to mislead a newspaper in the way that Mrs Poor was prepared to do. Indeed, it was very poor on her part, and I regret that.

I return to the central theme of the Howard government’s re-election campaign in 2004, which was the promise of low interest rates. In the light of what the Reserve Bank has been saying recently, I guess it is a case of, ‘Let’s just see about that.’ But, in any event, it is ironic that the government was able to campaign around this issue, because home loan affordability has taken a nosedive in the last two years. Under this Prime Minister, the cost of buying a home has nearly doubled. In 1996 it took an average of 5½ years of wages to buy a house, now it is almost 10 years. Mortgage interest payments cost more than ever, and the burden of monthly mortgage debt has risen by more than 50 per cent. Household debt stands at $766 billion and growing, compared with $289 billion when the coalition took office. Household savings have sunk to new lows, giving Australian families very little to fall back on if they are suddenly placed under extra financial pressure.

When Labor left office, Australians were saving $5.80 out of every $100 they earned. Today, for every $100 they go into debt a further $1.90. We have record levels of household debt, not just mortgages but also personal loans and credit cards have created a fear of economic ruin. Regrettably, instead of being held accountable for the pressure on family budgets which has led to this situation, the Liberal Party was able to turn it to advantage with a potent scare campaign. An analysis of the election result shows that that scare campaign resonated most loudly in the high-debt households of middle Australia. In fact, it was Labor’s policies which displayed more fiscal discipline. Our spending initiatives were largely funded by planned expenditure savings. The Liberal Party, on the other hand, went on a spending spree which will run down future surpluses and put upward pressure on interest rates.

We are in a situation where consumer spending is on fire. We have had very high consumption growth compared with the previous year. We have had some of the fastest consumption growth in 30 years and, instead of hosing down consumption spending, the government has fuelled the fire through a massive budget and pre-election spending spree, spraying an extra $66 billion onto the flames. That is one of the reasons why that household savings rate which I referred to is negative. We have had dozens of successive monthly trade deficits. We have a current account deficit above six per cent of GDP in the September quarter, and we are consuming the proceeds of our terms of trade from soaring commodity prices and cheap manufactured imports. The federal government says that these imbalances are okay and that our deregulated market economy will adjust to them. But the problem is that the adjust-
ment process will cause human pain in the shape of falls in economic activity. The Howard government policy in relation to these matters, such as fuelling the consumption boom and neglecting Australia’s export problems, only guarantees that this situation will become more serious in the years ahead.

That is regrettable, because the previous Labor government left an economy in good shape to the Howard government. I note that the President of Ford Australia, Tom Gorman, said not so long ago:

Twenty years ago the Australian automotive industry was more like a rustbelt industry and not something to write home about.

He said the turning point came with the Button plan in 1984 that cut tariffs, abolished quotas and encouraged model-sharing arrangements and exports of vehicles and components. So the President of Ford Australia attributed the current dynamism of the market to things which the previous Labor government had set in place.

As I have indicated, this has now degenerated into a situation where research shows the average Australian household spends 2.3 per cent more than it earns each week. The government inherited an economy with sound fundamentals, but over its time in office it has allowed them to run down. It has not planned for the future, and the fundamentals of the Australian economy have suffered as a consequence. An example of this is the issue of the ageing population and superannuation. From time to time, the Treasurer talks about the ageing of the population as a matter for concern and comes up with statements like ‘Demography is destiny’. The words are all well and good, but it was the previous Labor government that understood the nature of this problem and sought to address it first through the introduction of the superannuation guarantee—a most important and wonderful thing for Australian workers.

We lifted the superannuation guarantee such that nine per cent of workers’ incomes is now being put into superannuation and had plans to increase the superannuation guarantee from nine per cent to 15 per cent.

This government chose to jettison that plan, which would have set aside money for the retirement incomes of ordinary Australians and would have guaranteed a suitable alternative to the pension so there would not be that call on the budget from pensions and so on. The government was extremely short-sighted and jettisoned that measure, which will damage Australia’s retirement income and this nation in the years ahead. Every time the Treasurer talks about the ageing of the population and what we need to do to address this, it should never be forgotten that it was he who jettisoned the very measures being put by the Keating government which would have genuinely addressed the issue and set Australia up for the future.

Many Australians are concerned by the prospect of the coalition having control of both houses of parliament in the second half of this year. Indeed, after the election we learnt that one of the reasons that this has occurred was the success of the National Party in getting Mr Barnaby Joyce elected as a senator for Queensland’s sixth Senate spot. That was the critical result which will enable the government to have more than half the Senate seats from the middle of this year. Intriguingly, there have been media reports that Mr Kevin Collins, the Senate candidate for the Fishing Party, was promised by the National Party in pre-election negotiations over preferences that the ban on fishing in certain areas of the Great Barrier Reef which the Howard government had put into place would be reversed. The Fishing Party stood on a platform of having those restrictions on fishing overturned, and Mr Kevin Collins said that he expected The Nationals to deliver on the promise. He said, ‘It looks as
though we’ve got Barnaby Joyce up in the Senate.’ Quite so, but the question is was there a secret deal? Why is it that prior to the election nothing was said of the prospect that the National Party would seek to have the fishing zones altered? Did the Leader of the National Party know? Did the Prime Minister know? It is indeed very odd that the Fishing Party should have directed its preferences to The Nationals, given that it was the coalition government which had implemented the ban in the first place. These are serious questions regarding the nature of the Senate election in Queensland which need to be addressed and to which we are entitled to answers.

The government is a mass of contradictions. I never cease to be amazed by the way in which it gets away with saying one thing to one audience and another thing to another, and taking entirely inconsistent attitudes on various issues as they come before us. For example, in the last few days we have heard the Minister for Foreign Affairs talk about the North Korean nuclear weapons crisis. He said:

My own view is that we need to just keep up the diplomacy of encouraging the North Koreans to come back to the table to talk.

Later on, he said:

We need to encourage China to use its good offices to encourage the North Koreans ...

At no stage during the debate we had in this parliament about the issue of weapons of mass destruction in Iraq did the foreign minister or other members of the government talk about the need to ‘just keep up the diplomacy of encouraging’ the Iraqi regime ‘to come back to the table to talk’; nor did they suggest that it was the obligation of someone else to resolve the problem, as they are suggesting here.

The attitude this government takes in relation to North Korea and nuclear weapons is totally and utterly at odds with the attitude it took in relation to Iraq. This points out the contradictory approaches taken by this government and suggests that the government’s motives, which it claims were causing it to act towards Iraq in the way it did, were not genuine. If they were genuine motives, the government would be putting forward a similar proposal in relation to North Korea.

Let me also point out the government’s position on the question of a national curriculum versus national testing as one of its contradictions. The Minister for Education, Science and Training has frequently opposed a national education curriculum and said this would encourage mediocrity. But in recent times he has come out saying he supports the idea of a national school-leaver’s test. It is absolutely impossible to introduce a national school-leaver’s test or national examination without having a national curriculum. It would be absurd to have a national examination without a common curriculum for those who were sitting the examination. The approach of the education minister, which he seems to be able to get away with, is a contradiction in this government’s policies.

Another contradictory position held by this government relates to its approaches to choice. With the prospect of this government controlling the Senate, there have been various outbreaks within the government as to how it should use this control. There are people raising the issue of abortion and proposing that there be a ban on abortions in certain circumstances. When it comes to the issue of pregnancy termination they are against choice. They say, ‘No, no, no. Choice is inadequate. We need to have the law at work here and we need to have a compulsory arrangement.’ But you also hear people saying that the government ought to use its control of the Senate to get rid of compulsory voting in elections. When they are talking about compulsory voting in elections they
say, ‘What we need to have is choice. We do not want a compulsory arrangement. That is a bad thing, so let’s have voluntary voting.’ Again, a government caught in a mass of contradictions.

In the brief time available to me I want to turn to the issue of Iraq. We welcome the fact that there has been an election in Iraq, and I certainly hope for the people of that long-suffering country that it is able to fashion a democratic regime which respects human rights and enables living standards to improve. I remain astonished at the way in which this government has behaved in Iraq. In the last couple of days we discovered in the Senate that there was no effort being made to discover Iraqi civilian casualty figures, so we are simply left with a couple of estimates. The conservative estimate coming from Iraq Body Count suggests, as at the end of January, a minimum figure in excess of 15,000 and a maximum of 17,000, compared with the figures from the medical journal the *Lancet*, which suggests a figure of more than 100,000 civilian casualties as a result of the invasion of Iraq. It concluded that there has been something like 100,000 deaths of people who would not have died had Iraq not been invaded. I hope that the government shows a genuine concern about civilian casualties in Iraq and seeks to get information about what has been occurring in that country. Time does not allow me to speak further about these issues, but I hope on a subsequent occasion to talk some more about this because I do not think we have yet dealt with it satisfactorily.

**Mr SLIPPER (Fisher) (7.12 p.m.)—**In debates on appropriation bills we as members of parliament have one of the few opportunities to talk about a range of issues not necessarily exactly covered by the provisions of the bills before the chamber. At the outset, though, I do place on record that I support the three bills that we are currently debating: Appropriation Bill (No. 3) 2004-2005, Appropriation Bill (No. 4) 2004-2005 and Appropriation (Parliamentary Departments) Bill (No. 2) 2004-2005. The additional estimates request appropriations of $2.1 billion for the fiscal year 2004-05. The figures of the three bills are $1,540.2 million for Appropriation Bill (No. 3) 2004-2005, $552.6 million for Appropriation Bill (No. 4) 2004-2005 and only $0.3 million for Appropriation (Parliamentary Departments) Bill (No. 2) 2004-2005. In 2003-04, the additional estimates bills sought $1.4 billion.

The statement of savings shows the expected savings against individual annual appropriations—and the amount of savings expected for 2004-05 is $298.6 million. More than half of this amount is an unspent appropriation arising from the abolition of the Australian Tourism Commission—that is, $121 million—but that is offset by a proposed appropriation in bill No. 3 to fund a new body: Tourism Australia. I do not think that any reasonable person in our community could suggest that the formation of Tourism Australia is not a good thing. Tourism is a wonderful resource for our country and I am privileged to represent the central and southern Sunshine Coast areas in this place. Tourism is one of our major industries. Increasing numbers of people are travelling from right around the nation and right around the world to holiday on the sun belt of the Sunshine Coast. We welcome them; we want as many of them as we can get. I am quite certain that the setting up of Tourism Australia will mean that many more people will be encouraged to come to our area and enjoy its very many natural and man-made assets.

Returning to savings against 2004-05 appropriations, a significant proportion of the remaining amounts shown will not involve a saving to the budget. This is because they relate to movements of funding to other years, movements within the year to other
programs and reclassifications of funding between appropriations. The additional estimates bills and the statement of savings reflect the annual appropriation impacts of measures agreed by cabinet or the Prime Minister since the last budget and routine variations to agency estimates as a result of changes in economic and program parameters, rephrasings and reclassifications. The government does not make any apology for its sound economic management of the Australian economy since 1996. I am proud to be part of a government which has ushered in a level of openness and accountability in financial measures that we have not seen in Australia in the past.

As I said at the commencement of this contribution, this debate does give one an opportunity to talk in a wide-ranging way about various issues near and dear to one’s heart or one’s constituency. I was interested to hear the member for Wills, who spoke before me, refer to the issue of compulsory voting and voluntary voting. I would like to again place on record my very strong support for freedom of choice in voting. I believe that in a democracy people ought to have the right to vote or not to vote. I certainly would expect that everyone would enrol, but I believe it is the antithesis of democracy that after every election numbers of Australians are jailed because they chose not to vote. Australia is one of the few English-speaking countries which actually does have compulsory voting, and I think this is unfortunate.

One of the things this government has sought to do is encourage children, through the school system, to learn more about our wonderful Australian democracy. In this nation we have freedom, we have stability and we have a way of life that has made us the envy of people throughout the world. I think ours is the sixth oldest democracy in the world, and we consider ourselves to be a young country. We certainly are the lucky country. Many people forget that, during large parts of the past century, many countries which are now democratic did not enjoy our rights. I think we are one of the few countries to have been democratic right throughout the 20th century. We do have a great story to tell and it really is important that the children of Australia, who will become adults, are educated about our Australian democracy.

I think most members of parliament would be concerned from time to time when constituents come to see them about fixing the local road or maybe arranging for an extra garbage collection. I recall on one occasion a person coming to see me about livestock that happened to be in a public park. I just think that, if we could educate people about how we are governed and about the responsibilities of local, state and Commonwealth governments, as Australians we would be very much better off and our democracy would be even more protected.

Having said that, I do support voluntary voting. I think compulsory voting is quite the opposite of democracy. I am not very proud to be part of a country which jails people because they choose not to vote. What the parties ought to do at election time is to encourage people, through their promises and programs, to vote for them. But if someone makes a decision—it might be an ill-
considered decision—not to vote then that person ought not be dragged before the courts. As the polling booths get very close to closing at six o’clock at night, the people who are arriving are voting only to avoid a fine. I have seen some of them take maybe twice as long as it usually takes to walk the distance from the door of the polling booth to the actual place where they have to vote because they are zigzagging as they have been enjoying liquid refreshment during the afternoon. You have to question quality of the votes of people who are simply voting to avoid a fine.

The issue of abortion was also raised by the previous speaker. I am one of those who is particularly concerned about the taxpayer’s dollar being used to fund the termination of life. Many people talk about choice and freedom of choice. I believe that in a democracy we do have the right to do with our bodies what we want to within reason, but I have a personal belief that life does begin at conception and that when a woman is pregnant there are two lives to consider. It is all very well for a woman to be able to do with her body what she wants, but there is a second life to consider. As a lawyer, I always found it interesting that if a child in the womb, a foetus, is actually injured in a car accident there are very many precedents which permit that child, when born, to sue through the courts for negligence and to in effect receive an award. Surely the ultimate injury is termination, and I get particularly concerned about late-term abortions, and I ask myself whether in the year 2005 it is appropriate that there ought to be taxpayer funding of abortions.

In the Commonwealth we do not have the ability to regulate abortion because, other than in the territories where the Commonwealth does have an ability to override the territory governments, this is a matter for state governments. But I think it is appropriate that we should have a discussion in our community on whether it is appropriate that the taxpayer’s dollar should be used to fund the termination of life. I certainly have a great concern about that and I can also understand how the Minister for Health and Ageing, for whom I have the highest respect and regard, says he has a concern, being in the position that he is in presiding over what could well be 100,000 terminations in this country.

I also support very strongly the long-held and well-established principle in the parliament that on these issues of conscience people have a conscience vote. This, in my view, indicates that parliament is operating as people expect it to. I have to say, if people were forced to vote one way or another on these conscience issues because of party discipline, it would be a parody of justice and a travesty of democracy. I just want to commend the tradition which has grown up in the parliament that on these issues members are able to consult their constituencies and exercise their conscience, and they are able to vote as they feel is right and appropriate.

I think as you go around the country one of the issues that excites a great deal of interest is aircraft noise. I know around the major city airports this has been a very substantial issue for discussion. I recall that the Minister for Human Services used to chair a group in relation to Sydney airport. Members of parliament do have an obligation and a responsibility to in effect meet the concerns of those they represent. I just want to say how pleased I am that Jetstar is increasing the number of services it runs to the Sunshine Coast. The Sunshine Coast, of course, is the most wonderful part of this country in which to live. People move from the rustbelt areas of southern Australia—not that I would refer to the Central Coast of New South Wales, Minister Lloyd, as a rustbelt area—
Mr Lloyd—Thank you, Mr Slipper.

Mr SLIPPER—but there are many people who move from your area and other areas to the Sunshine Coast. One of the concerns that we have is that our population will double over the next 15 years or slightly more. Of course, that places great burdens on our infrastructure as a community. I suppose in a way we cannot really have our cake and eat it too. We want as many flights into the Sunshine Coast as possible because, when people travel to the Sunshine Coast from other parts of the country and other parts of the world, obviously they bring dollars, they help business, they grow our local economy, they create jobs and they give our kids on the Sunshine Coast the opportunity of getting one foot on a rung of the employment ladder. Equally, of course, it is important to make sure that these increased aircraft movements have as little an impact as possible on the quality of life of those people who reside on the Sunshine Coast.

A couple of years ago I called public meetings at Buderim because I had complaints from my constituents about low-flying aircraft. The flight paths were such that many people had substantial interruption to their enjoyment of life. We were able to work with Airservices to come forward with an appropriate solution. I see that many people are now concerned by the fact that Jetstar will increase the size of planes flying to the Sunshine Coast. Obviously we need the larger planes because they bring larger numbers of people who will spend larger amounts of money on the Sunshine Coast, but I just want to assure my community and the Sunshine Coast with all the benefits that will flow through to the economy but also do it in a way that does not impact on the quality of life of those people who choose to live on the Sunshine Coast.

In the time that is remaining to me, I would just like to comment on a recent announcement by the government with respect to the $146.6 million allocated to Queensland’s natural resources. The $146.6 million Australian and state government investment for Queensland’s 15 natural resource management regions will help protect and restore our state’s water quality, World Heritage areas, biodiversity hotspots, RAMSAR sites, cultural values and agriculture. The investment from the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality was a three-year allocation. The regional bodies that operate in South-East Queensland are the Burnett-Mary Regional Group for Natural Resource Management, South Queensland Natural Resource Management and the South East Queensland Western Catchments Group.

I have to say that one of my regrets is that this government is not recognised, as it should be, as one of the greenest governments in Australian history. By setting up the Natural Heritage Trust, we have been able to do a lot towards redressing the impact of 200 years of European settlement in Australia. One of the good things now is that the environment is not owned by either side of politics. This government does have a proud record but, regrettably, when election time comes, the more extreme environment groups do not recognise the role that the Howard government have played. We have had a whole range of initiatives. We have done a lot; there is more to be done. On the Sunshine Coast in particular I want to commend all of those participants in Green Corps over the years. The Sunshine Coast, as an area with a rapidly growing population, has
great pressure placed on its environment and yet what we are noticing now is that many young people are keen to participate in Green Corps. I think this is a positive thing. We are also noticing that many people who traditionally would not be environmentalists are now coming forward. I believe that older Australians, including many who are retired, have become very strongly in favour of preservation and improvement of our environment because they know that it will improve the Australia that their children and grandchildren will inherit.

The government have been in office since 1996. We have achieved an incredible amount in the area of economic management and in so many other areas. We have been able to achieve very positive social outcomes, but of course there is more to be done. We are not a government that rests on our laurels. I have to say that I am impressed by the fact that post 1 July we will have a majority in the Senate, and that majority will be used responsibly.

Debate interrupted.

**ADJOURNMENT**

The SPEAKER—Order! It being 7.30 p.m., I propose the question:

That the House do now adjourn.

**Kyoto Protocol**

Mr GARRETT (Kingsford Smith) (7.30 p.m.)—I rise in the House on this most important of days—Kyoto Day. It is a day on which the headlines proclaim that ‘Climate change is upon us’. ABC news reports that many climate scientists say that floods, storms and droughts will become more frequent and that climate change is the most severe long-term threat to the planet’s life support systems. On the day the Kyoto protocol comes into force worldwide, I want to record on behalf of the Australian people our strong opposition to the position taken by the Howard government on the issue of global warming: in particular, its refusal to ratify the Kyoto protocol.

What do the National Farmers Federation of Western Australia, the Australian Medical Association, the Business Council of Australia, the Australian Institute of Engineers, the Pentagon, the CSIRO and a raft of community groups, academic institutions and the community generally all have in common? Unlike the Howard government, they recognise the very serious challenge to our way of life posed by global warming and the need for a far-sighted, proactive, national and international response to this issue.

The words that introduce the Otin Ta’ai declaration—produced by the Pacific Churches Consultation on Climate Change, which met on March 2004 on the small island state of Kiribati—read:

Here on the small island atoll of Kiribati, the impacts of human-induced climate change are already visible. The sea level is rising. People’s homes are vulnerable to the increasingly high tides and storm surges. Shores are eroding and the coral reefs are becoming bleached. The water supplies and soil fertility are being threatened by the intrusion of salt water. Weather patterns are less predictable, posing risks to fisher-folk and farmers.

It is estimated that about seven million people in the Pacific are experiencing similar impacts of human induced climate change. What is the Howard government’s response? In the face of these direct challenges and threats posed by global warming to the world, the Australian environment and the economy, the Howard government has spent today erecting a series of straw men to justify its failure to ratify Kyoto and to provide real leadership for the task of reducing greenhouse emissions. In so doing, either the Howard government has demonstrated its lack of understanding of the scientific basis for claims that global warming is a fact or it
has willingly ignored such facts to appease sectoral and political interests. The government has also demonstrated a lack of confidence in the ability of the Australian people, communities and businesses to rise to the challenges posed by a rapidly warming world.

The government has spent Kyoto Day underplaying the seriousness of an issue which will reshape our lives in the coming decades. It has betrayed young Australians who, looking forward, face a world in flux and chaos. The government is nowhere to be seen on one of the most significant environmental issues of our age—an issue which transcends economics, crosses natural and national borders and impacts on the health and livelihood of hundreds of millions of people.

Where British Prime Minister Tony Blair identifies global warming as an international issue on the scale of terrorism, the Howard government is missing in action. This attitude is despite the fact that we can meet the emission targets, that we were granted a special deal on land clearing and that we have maintained economic growth whilst meeting the targets that 140 other countries have seen fit to sign up to. This attitude is also despite our scientists repeatedly telling us about global warming. At a metrological conference in Brisbane this week, Dr Holger Meinke, a climate scientist from the department of industry, said: ‘We can ignore it’—that is, global warming—‘at our peril and pay the costs afterwards.’ Despite all this, the Prime Minister says the national interest will suffer, and the Treasurer blithely assures the Australian people that ratifying Kyoto will be a large detriment to the economy—yet, no evidence is produced to support this claim.

Is the government unaware of increases in insurance premiums, expected crop losses, threats to tourism revenue—all of which are associated with global warming and which are being examined by companies who work in these areas now? The government has failed to identify that the national interest is at stake in combating global warming. The government ignores the fact that climate change induced drought already bedevils Western Australia and the south-east and south-western regions of Australia, and that it will continue to do so.

The government’s position is also confused. Astonishingly, the Minister for Industry, Tourism and Resources said today that he even doubted ‘whether or not the emissions were causing climate change’. ‘I don’t know,’ he said. He ought to find out. I invite the minister to familiarise himself with the ever growing weight of scientific evidence broadcast daily on this issue, or to refer to his colleague the Minister for the Environment and Heritage, who has now come round to the view that the debate should move on, that there is consensus about climate change. Hallelujah! It is government policy—the imagination and vision to respond to the great challenges ahead that global warming represents—that is the missing ingredient in this debate. (Time expired)

Employment: Skills

Mr BARTLETT (Macquarie) (7.35 p.m.)—It was no surprise yesterday to see the Leader of the Opposition, the Deputy Leader of the Opposition and a former Leader of the Opposition using the appropriations debate to try to attract some attention. What was astonishing, however, was to see them all trying to use it to establish Labor’s economic credentials to try and convince us and many on their own side that they had a story to tell here. This was a troika of Labor’s economic flat earth society. We had the Leader of the Opposition trying to convince us that black was white by trying to explain away Labor’s appalling record on interest rates. We had the deputy opposition
leader trying to prove that black was white on the issue of skill shortages. We had the former opposition leader trying to do the same thing with regard to trade performance. I would like to have the time to address all of these, but on this occasion I will address the issue of skill shortages.

It seems that Labor members have read a couple of media stories about skill shortages and have suddenly decided that it is an area where they ought to show some interest. There are two distinct aspects to the whole area of skill shortage: the first is the demand side; the second is the supply side. On the demand side it is clear that there is a growing issue with a tightening labour market. The reason that there is a tightening labour market is simply that we have had several years of strong economic growth, strong jobs growth and a strong demand for labour. When that is the case, you start to develop a tight labour market. We have had 1.5 million jobs created—1.5 million more people in work—over the past nine years. There were 307,000 in the last year alone, and 55 per cent of those were full-time jobs. We have seen unemployment fall from 8.5 per cent in 1996 to 5.1 per cent now, and that is with an increased participation rate, up from 63.5 per cent to 64.1 per cent.

Labor’s approach to the demand side of the skills shortage issue was simple: have a high level of unemployment and you do not have a skills shortage problem. Labor’s approach was the recession that we had to have. This is not a satisfactory approach to the skills shortage problem. On this side of the House we believe in having more people in work, even if that does mean a tight labour market. Labor’s approach to the demand side of the skills shortage is simply not acceptable at all.

The second aspect of the skills issue is on the supply side. This is an issue of equipping employees with the skills that employers require, particularly the skills that they require in young people taking their place in the labour market. Again, let us look at the facts. Under Labor, apprenticeships and traineeships fell to a 30-year low. Their obsession with university places caused them to basically ignore the training and employment needs of the 70 per cent who do not go to university. Their approach to training, tied up in their so-called Working Nation package, really was more about hiding the unemployed than about providing genuine training that would lead to job outcomes.

Compare that with what we have seen since 1996. In apprenticeships and traineeships we have seen an increase of some 250 per cent under this government, up from 157,000 when Labor left office to 395,500 in June last year. We have seen VET in Schools take off from 60,000 participants in 1996 to 185,000 just two years ago, including a 400 per cent increase in school based new apprenticeships. This year we have seen a record $2.1 billion in funding to the states and territories for their training programs, up by 48 per cent since 1996. Recently we have seen moves to establish 24 technical colleges to address some of these skills needs—described, might I say, by the Australian Industry Group in these terms: 
...some of the best news heard in this area for some time ... The Government has ... made addressing skill shortages a major priority.

This is from employers who know. Compare this with what we are seeing going on in the Labor states. In 2002 the Commonwealth government offered an extra 71,000 training places—rejected by the states. In New South Wales we have seen TAFE fees increase by 220 per cent. This is a great obstacle to young people, particularly those from disadvantaged backgrounds, accessing the necessary training. The point is this: do not listen to Labor’s rhetoric; don’t listen to what they
Ms OWENS (Parramatta) (7.40 p.m.)—I sat in this place this morning and watched the Australian government refuse to even debate one of the most serious issues facing Australia and the world: climate change, global warming and, in particular, the extraordinary worldwide response to the Kyoto protocol and Australia’s international obligation to ratify the agreement. We were one of the first to sign it. We were there from the start. We got a great deal—better than just about any other country in the world—and we are meeting our targets. We are on target. If we ratify the protocol, there are great economic benefits to be made and we can be part of shaping the most significant environmental action in our history. And yet the Prime Minister will not ratify the agreement.

Today, 140 nations around the world joined together to take action to tackle climate change, and we are not there with them. It is incomprehensible. My young niece has an interesting turn of phrase when she is faced with action that really makes no sense. She puts her hands on her hips and says, ‘What planet are you living on?’ Given that we are talking about the planet, I cannot think of a better response to this incomprehensible decision by the Howard government not to ratify this agreement than to say, ‘What planet do the Prime Minister and his government live on?’ Clearly, it is not this one.

There can be no doubt that climate change is a very real threat to the world and to Australia. It is a mainstream view now that human beings, through the burning of fossil fuels, through the chopping down of our forests and through a sixfold increase in population in just 200 years, are causing a rise in the atmospheric concentration of greenhouse gas and a warming of the planet. Australians can see the impact of that climate change. Our major cities and towns have prolonged water shortages, the bleaching has damaged significant parts of our fabulous Great Barrier Reef and 75 per cent of the mighty red gums on the Murray River flood plains are dying.

Locals in my area know it. While door-knocking last year, I was amazed at just how many people raised issues concerning the environment from water shortage to salinity, from the degradation of our mighty rivers to global warming. Ordinary people around Australia are noticing—and how could they miss it? Australia’s failure to sign the agreement does not make sense on environmental grounds, it does not make sense in terms of our international responsibility and it does not even make sense on economic grounds. The Howard government’s failure to ratify the Kyoto protocol locks Australian industry out of a growing international market in environmental goods and services.

Kyoto is essentially a carrot and stick approach. The stick is reaching the target of greenhouse gas emissions; the carrot is gaining access to the enormous economic benefits of global trading in greenhouse emissions. The world market for environmental goods and services is estimated at $US515 billion. That is about the size of the Australian economy. In another five years we estimate that it will increase by another $US150 billion. That is the carrot: entry into a global market worth over $US500 billion. We have taken the stick—we have set the targets and we are on target—but for some reason we are not reaching for the carrot. There is no carrot for us, just stick. And why? In John Howard’s own words after signing the agreement in 1997:
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We end the year having achieved ... the absolutely stunning diplomatic success ... That was an extraordinary achievement ...

He said that we are about to ‘make a massive contribution to the world environmental effort to cut greenhouse gas emissions but also to protect Australian jobs’. By the Prime Minister’s own words, it was ‘an extraordinary achievement’. He said that we achieved a win for the environment and a win for Australian jobs. It was a good idea then. I do not know what planet the Prime Minister has moved to since then, but it is not the one that the rest of us live on. The rest of us see the degradation of the environment and the rest of us know that action must be taken. Our children and grandchildren will have no choice but to live on this planet—the one we leave to them. Perhaps the Prime Minister and his government should come back down to earth with us and ratify the Kyoto protocol.

Hasluck Electorate: Kalamunda District Community Hospital

Mr HENRY (Hasluck) (7.45 p.m.)—I wish to speak about the Kalamunda District Community Hospital in my electorate of Hasluck. The state Labor government in Western Australia, in particular the Minister for Health, has failed to listen to the community living in the Kalamunda shire. Over 95 per cent of residents who live in the area, which includes the suburbs of Kalamunda, Lesmurdie, Gooseberry Hill, Maida Vale, High Wycombe, Forrestfield, Wattle Grove and Walliston, demand the retention of the maternity and obstetric services at the Kalamunda hospital.

Over the past 10 or so years there have been some 400 births each year at the hospital. The loss of maternity and obstetric services would devastate many families moving into new housing developments in the foothills and this would also clearly affect the quality of life for many existing residents. I have spoken directly with many of these people during my campaign for election and subsequently as the member for Hasluck. People of all political persuasions are outraged. Local paper headlines tell the story—for example: ‘McGinty lowers boom on hospital maternity services—death knell sounds’; ‘Doubt over hospital outrages doctors’; ‘Doctors move to prove hospital safe’; ‘Hospital’s supporters send a clear message’; ‘Health minister says he will not bow to community pressure on hospital’; and ‘Maternity services to be cut after election’.

This Labor health minister is not listening. He is holding this community in contempt, and has to go. He has refused to attend a public rally of over 1,500 residents. He refused to speak with over 300 residents gathered at the parliament house in Perth. He has ignored a petition signed by over 17½ thousand residents presented to the state parliament by the member for Darling Range, Hon. John Day MLA. Minister McGinty made the following claim in the Echo newspaper:

Dr Harry Cohen has done a study that effectively said that in the interests of the safety of mothers and their children, obstetrics should be shifted from Kalamunda Hospital.

This claim is nothing but political scaremongering and typical of Labor’s deceit, for which he should be ashamed. This is to suit the Gallop government’s agenda in centralising essential health services against the wishes of the community. I am advised that there is evidence to show that clinical outcomes at Kalamunda hospital were no worse than at any other obstetric units. In fact it proved the opposite. Local doctors, obstetricians and residents were appalled when the safety of mothers and their children was given as a major reason for moving the maternity facilities. This cannot be supported by
the facts. GP obstetrician Warren Thyer supported by the hills’ doctors said:

If there is a safety issue we certainly want to know about it because it attacks the professionalism of the nursing staff and doctors to say we are not safe.

The Kalamunda hospital has been ranked with the highest hospitals on a WA Department of Health patient satisfaction survey. Statistics have shown that it had significantly lower non-elective caesarian rates than other hospitals and that Apgar scores—indicators of a new-born’s wellbeing—for all deliveries were excellent. Dr Thyer said that the Cohen and Reid reports referred to by Mr McGinty as the basis of his safety claim did not specifically comment on the safety of the Kalamunda obstetric unit.

I have been advised that the hospital meets all the requirements of the safe obstetric unit as outlined in the Cohen report. The political scaremongering used by the Labor Party has caused considerable uncertainty in the community. This has been compounded by further advice that the East Metropolitan Health Services are reducing resources available to the obstetric unit, forcing residents to seek obstetric and maternity services from other hospitals and thus artificially reducing the demand for these services to suit Labor’s agenda. These actions by the Labor government are causing considerable anxiety, unsettling the community, staff, patients and doctors. Indeed, some local doctors have indicated they would consider their futures in the area if these services were lost from the Kalamunda hospital. The hills area is an area where we already suffer from a shortage of local doctors. I am pleased to be able to say that John Day, the local member, and the coalition strongly support the retention of maternity and obstetric services at the hospital.

Kyoto Protocol

Ms KATE ELLIS (Adelaide) (7.49 p.m.)—I rise on this historic day to also talk about the Kyoto protocol and my firm belief that the government must show some leadership and ratify the agreement. On a previous occasion when I addressed this matter in the House the member for McMillan responded by saying:

What a delightful address by the member for Adelaide. Her pure, idealistic approaches and processes have obviously come from the member for Grayndler.

I say to the member for McMillan that the member for Grayndler is certainly not alone in believing in this agreement. I believe in Kyoto; many in my electorate believe in Kyoto; and many in Australia share these views. In fact, considering that this agreement has been ratified by 140 countries plus the European Union, it is the Australian government’s position which seems unusual. I would also say that, whilst I am sure most of us could be ridiculously patronising to each other if we chose, I believe we are elected here to perform a much more important function. This function is to serve our electorates and the long-term future of our nation, and I believe we can do this by encouraging the government to ratify this agreement.

On the day the Kyoto protocol comes into effect, as the world moves a step closer to achieving real outcomes on the issue of global warming, Australia is left out in the cold. We are distancing ourselves from the international effort to deal with climate change the only way it can be dealt with—globally. The government’s refusal to ratify the Kyoto protocol is further evidence of its patchy record on the environment and on honouring commitments. The Prime Minister stated in 1997 that the Kyoto protocol is ‘a massive contribution to the world environmental effort to cut greenhouse gas emis-
sions but also to protect Australian jobs’. Why, then, is ratifying the Kyoto protocol such a bad idea? It isn’t. The government has decided to refuse to engage with the world community, and by its doing so we are fast becoming an environmental pariah. This refusal to sign the protocol is in the face of a weight of scientific evidence.

Climate change is not a fanciful idea. It is a fact. What is even more bleak than the current situation is what scientists predict for the near future. One of the absurd reasons the government peddles for not signing Kyoto is that we are already meeting our emissions targets and therefore there is no need to bother with this protocol. If we are already on track to meet emissions targets, why not sign the Kyoto protocol and let Australia and its industries take advantage of the lucrative carbon trading scheme?

I was pleased to note the work of the South Australian government, who this morning announced that South Australia will be playing host to the Climate Change and Business: Australia-New Zealand Conference and Trade Expo in February 2006. It is expected that more than 400 delegates from around the world will attend the conference, which I am proud to say will be held in Adelaide. The conference and expo will focus on how business and industry can exploit the global demand for energy saving technology. This is yet another example of the holistic approach taken by state governments—the idea that economic and environmental concerns are not polar opposites but are intrinsically linked. This is something the current federal government fails to see.

Indeed, another argument put forward by the government for not ratifying the protocol is the cost to business. How can they say this when Australia is being locked out of the lucrative multibillion dollar a year international carbon credit trading scheme? Only this morning, on local ABC radio in Adelaide, Dr Peter Ellyard, futurist and strategist and former CEO of the department of environment, told of people he knew who have new innovations to drive sustainable energy production and who plan to move them to New Zealand. This is because New Zealand has ratified the Kyoto protocol, and so people developing initiatives for sustainable energy production can take advantage of carbon credit trading there.

Already companies have reported losing out on contracts due to the government’s refusal to ratify the Kyoto protocol. This will only increase now that the protocol has come into force. If Australia had a clear and coherent greenhouse policy, if we gave our green industry a framework outlining our goals and expectations, industry would have the confidence to invest in new ventures. Without a clear framework, private sector investment in future power generation is stifled. The government must act now to provide some national leadership. Their inaction is preventing both further development and further investment in what should be a rapidly growing renewable energy industry.

Let us look at what has gone on in the world today. With the Kyoto protocol coming into effect, what has been established is a first step in a process to redress the harm caused by climate change—harm which touches almost every aspect of life. Whilst 140 governments around the world have acted together to protect the environment, our government, I am ashamed to say, has decided to stand out in the cold. In doing so, they have dragged out there with them Australian business. (Time expired)

**Tangney Electorate: Schools**

Dr JENSEN (Tangney) (7.54 p.m.)—Mr Speaker, I am sure that you will be very pleased to know that, unlike those opposite, I will not be talking about global warming.
scare stories and Kyoto. I will be talking about something that is concrete and of very great importance to the community at large, and that is education. The schools in my electorate have performed extremely well over the last number of years. Dr Nelson, the Minister for Education, Science and Training, visited my electorate recently and visited Leeming Senior High School and Murdoch University. Dr Nelson was especially impressed with the solar car that was being developed by Leeming Senior High School for the Solar Challenge. It is hoped by the students of Leeming Senior High School that their car will be able to complete the challenge within the allotted time.

In my electorate there are a number of schools that have come in the top one-third of TEE scores in Western Australia. The public schools include Applecross Senior High School and Willeton Senior High School, which have done very well over the last number of years and improved their positions in many areas. Melville Senior High School is consistently in the top third of the TEE scores in Western Australia. Lynwood Senior High School is also in that area—Parkwood Primary is its feeder school and it has the highest proportion in the electorate of children speaking English as a second language and is also the home to the Intensive English Centre, Leeming Senior High School, which I have mentioned before, is a very highly thought of school and in fact is the only school in Western Australia to offer academic specialisation from years 8 to 12 in science through its recently opened Science and Technology Academy. Having previously been a scientist myself, I am extremely proud to have a high school in my electorate reach this achievement. Rossmoyne Senior High School is also not only among the top third in the state but among the very top schools in the state. It is consistently the highest performing high school for TER results in Western Australia—a magnificent achievement.

We also have a number of private schools that similarly perform very well in the electorate. Santa Maria High School is in the top third of educational institutions in Western Australia. All Saints College has also achieved that educational height, as have Winthrop Baptist College, Corpus Christi College and Murdoch College. I am very pleased with the results of all of the previously mentioned schools in my electorate and I would like to issue a challenge to the other high schools in the electorate that have not quite reached those heights to continue striving to reach those high educational standards.

Kyoto Protocol

Ms HALL (Shortland) (7.58 p.m.)—I would like to put on record my support for Australia signing the Kyoto agreement. Mr Speaker, I am absolutely disgusted that the previous speaker could refer to the environment as a matter that could create some boredom for you. We on this side of the house strongly support the ratification of the agreement and we believe that the environment and the protection of the environment are integral not only to the future of Australia but to the future of our planet.

I feel that the total disregard for the environment and the Kyoto agreement by the government puts it in a position where it stands condemned. I call on the Howard government to reconsider its decision and immediately sign the Kyoto agreement. It is of great importance to the future of Australia and to the future of all Australians. I think it is absolutely despicable that members on the other side of this parliament hold the environment and the agreement in such contempt. Surely they can recognise how important the protection of our environment is to the future of Australia. I believe that it is of
such importance that I am holding a forum on the environment in my electorate on 27 February where we will give due credit to the environment that it deserves.

The SPEAKER—Order! It being 8.00 p.m., the debate is interrupted.

House adjourned at 8.00 p.m.

NOTICES

The following notices were given:

Mr Abbott to present a bill for an act to amend the Medical Indemnity Act 2002, and for other purposes. (Medical Indemnity Legislation Amendment Bill 2005)

Dr Nelson to present a bill for an act to amend legislation relating to higher education, and for related purposes. (Higher Education Legislation Amendment (2005 Measures No. 1) Bill 2005)

Mr Truss to present a bill for an act to amend or repeal legislation relating to agricultural and veterinary chemicals, and for related purposes. (Agricultural and Veterinary Chemicals Legislation Amendment (Levy and Fees) Bill 2005)

Mr Truss to present a bill for an act to amend the law relating to fisheries and fishers, and for related purposes. (Border Protection Legislation Amendment (Deterrence of Illegal Foreign Fishing) Bill 2005)

Ms Ley to present a bill for an act to amend the law relating to social security, veterans’ entitlements and family assistance, and for related purposes. (Family and Community Services and Veterans’ Affairs Legislation Amendment (Further 2004 Election Commitments and Other Measures) Bill 2005)

Mr Pearce to present a Bill for an Act to amend the Trade Practices Act 1974, and for other purposes. (Trade Practices Legislation Amendment Bill (No. 1) 2005)

Mr Price to move:

That the standing orders be amended by amending standing order 80 to read as follows:

80 Closure of Member

A motion may be made that a Member who is speaking, except a Member giving a notice of motion or formally moving the terms of a motion allowed under the standing orders or speaking to a motion of dissent (from any ruling of the Speaker under standing order 100), “be no longer heard”, and such question shall be put forthwith and decided without amendment or debate.

Mr Price to move:

That the standing orders be amended by inserting the following standing order after standing order 99:

99A Questions to committee chairs

A Question may be put to a Member in his or her capacity as Chair of a committee of the House, or of a joint committee, in connection with the work or duties of the committee in question.

Mr Price to move:

That the following amendment to the Standing Orders be adopted for the remainder of this session:

102B Lodging questions in writing on behalf of constituents

(a) A Member may lodge a question in writing in terms proposed by a person who lives in the Member’s electoral division.

(b) A question in writing given under this standing order may show the name of the person who has proposed the question.

(c) A Member may not lodge more than 25 questions in writing under this sessional order in a calendar year.

(d) Nothing in this standing order may be taken to mean that a Member must give notice of a question proposed to the Member by a person who lives in the Member’s electoral division.
Mr Price to move:

That standing order 104 be omitted and the following standing orders be adopted:

104A Answers

The answer to a question asked orally shall be relevant and:

(a) shall be concise and confined to the subject matter of the question: the asking of each question must not exceed four minutes;

(b) the asking of each supplementary question must not exceed one minute;

(c) the time taken to make and determine points of order is not to be regarded as part of the time for questions and answers;

(d) shall relate to public affairs with which the Minister is officially connected, to proceedings in the House, or to any other matter of administration for which the Minister is responsible; and

(e) shall not debate the subject to which the question refers.

104B The standing orders that apply to the asking of a question orally shall generally apply to the answer.

Mr Price to move:

That standing order 105 be amended and the following be inserted:

105C Replies to written questions

An answer to a question in writing shall be relevant to the question and shall be provided to the Member who asked the question within 30 days. (Notice given 16 February 2005.)

Mr Price to move:

That standing order 209 be amended and the following be included:

(d) At the time provided for the presentation of petitions, the following arrangements shall apply to the presentation of petitions certified to be in conformity with the standing orders:

(i) in respect of each petition, the petitioner, or one of the petitioners, may present the petition to the House by standing at the Bar of the House and reading to the House the prayer of the petition, and

(ii) where a petitioner is not able to present the petition in accordance with standing order 209(d)(i), the Member who has lodged the petition may present it to the House by reading to the House the prayer of the petition.

Mr Price to move:

That standing order 221 be replaced with the following:

221 Modernisation and Procedure Committee

(a) A Standing Committee on Modernisation and Procedure of the House of Representatives shall be appointed to inquire into and report on practices and procedures of the House generally with a view to making recommendations for their improvement or change and for the development of new procedures.

(b) The committee shall consist of the Speaker or his or her appointed Deputy Speaker, The Leader of the House or his or her appointed Deputy, the Manager of Opposition Business or his or her appointed Deputy and eight Members, four government Members and four non-government Members.

(c) The Secretary of the Committee will be the Clerk or Deputy Clerk.
Mr DANBY (Melbourne Ports) (9.40 a.m.)—I rise today to join my friends in the Australian Lebanese community in condemning the murder most foul of the former Lebanese Prime Minister Rafik al-Hariri. Mr al-Hariri was one of the voices of moderation and compromise in that part of the world. He was killed with nine other people in a bombing in Beirut. Mr al-Hariri was a Sunni Muslim in a country divided into Sunnis, Shia, Christians and Druze. He was one of the few people able to reach across those divisions and build a consensus for the rebuilding of his country. He was the person who, more than anyone else, symbolised the fact that Lebanon was open for business after the civil war. His murder, widely thought to be at the hands of the pro-Syrian occupation forces, precedes parliamentary elections that were due in May, which may now be postponed. His assassination follows hard on an international campaign by France and the United States through the United Nations to pass resolution 1559, which calls for the withdrawal of Syrian occupation troops from Lebanon.

Recently, Mr al-Hariri and the Lebanese democratic majority were in conflict with the dictator of Syria, President Bashar al-Assad, over the imposition for the third time of the pro-Syrian President of Lebanon, Emil Lahoud. Lahoud, the Syrian factotum, should not have been allowed to stand for a third time. The fact that Mr al-Hariri was gathering forces in the Lebanese parliament to do something about the Syrian occupation and the imposition of Lahoud I think points to the reasons for this criminal attack on him. This murder was designed to pass the restoration of Lebanon to the democratic and economic prosperity that it was famous for before the civil war. I know a lot of people in the Australian Lebanese community who will be devastated by this reversion of that great country to its past of civil war, bombings and assassinations. Let us hope that we do not get back to those days. It is very important that this country, Australia, supports resolution 1559, which calls for the withdrawal of Syria from Lebanon. In the long term that will end the policies of violence in Lebanon and in the capital, Beirut.

If Syrian involvement in this assassination is proved, and the occupation continues, along with the United States this country will have to consider taking these matters further and perhaps think of imposing economic sanctions to enforce resolution 1559. I note that the Australian Lebanese community is very concerned following the recent opening of the Syrian Baathist embassy in Canberra. Those Baathist diplomats ought to be put on warning by the Australian people that these kinds of activities in Lebanon will not be tolerated for our future friends in Lebanon. (Time expired)

Mrs GASH (Gilmore) (9.43 a.m.)—I wonder how many members of the House would be able to perform mouth-to-mouth resuscitation if called upon, or how many would know the fundamentals of dealing with cardiac arrest. We assume in such an event that there will always be someone else who can do the job. In the Shoalhaven there are at least 774 year 10 students and teachers who can, thanks to a pilot program recently completed for year 10 stu-
dents from five public and three private high schools in the Shoalhaven. The course was organised under the auspices of the Shoalhaven Area Consultative Committee, which is also instrumental in coordinating another pilot program in the area: the Shoalhaven Youth Volunteering Initiative. I am proud to be associated with both and with the fact that the government saw merit in these schemes, which allowed them to be given a life.

The training, which was implemented by the Royal Life Saving Society of Australia, New South Wales branch, was made possible by an Australian government grant of $24,200, which was made available through the Regional Partnerships program. As the cost per student for the WorkCover accredited course was only $50—the usual cost for such training is about $125—students were only asked to pay $25, the balance being made up through the grant and support from project partners.

The course took three days to complete in four different locations with instructions from accredited trainers. The project showcased volunteer activity in the Shoalhaven via the service clubs and was an example to potential sponsors with regard to expanding it to other regions. Both the Shoalhaven Rural Fire Service and the State Emergency Service included their young cadets in the training.

The senior first aid certificate is regarded as a life skill for the students and is a highly desired qualification by employers. In addition, community volunteer service organisations have this first aid module as a core element of their training. I am grateful to all those who supported the project but particularly to the coordinator of the Shoalhaven Youth Volunteering Initiative, Mr Alan Mulley, and the CEO of the Shoalhaven Area Consultative Committee, Mr Milton Lay. Both these gentlemen worked tirelessly in putting the package together, and its successful implementation is testimony to their professionalism.

It was with considerable pride that I was asked to present certificates to the participating high schools in the knowledge that as a result we have added to the social value of the community. This is a project which should be taken up throughout Australia. The benefit to individuals and communities is enormous, not only because of the value of the first aid training but because it is a vehicle whereby our youth can interact and participate in the interests of the greater community through volunteering. The values learnt from that process cannot and should not be underestimated. The benefits for the community are far reaching, and our young students deserve congratulations for completing the task, as do the trainers, the schools, their teachers, parents, service clubs, councils and the Australian government.

Mr Sawford—That is a good idea. It should be done for members, senators and staff too.

Defence: Contract

Mr SAWFORD (Port Adelaide) (9.45 a.m.)—In federal-state relations there are probably two absolutes. Firstly, as Paul Keating used to say, ‘Never get in the way of a state Premier and a bucket of money,’ and, secondly, if your case is weak sledge your competition as hard as you can. On that second point, I totally reject Victorian Premier Steve Bracks’s assertions that South Australia botched the Collins class submarines and therefore does not deserve to win the air warfare destroyer contract. Some botch! I am sick and tired of the Collins submarine being slammed by people in the eastern states. The Collins class submarine is the best conventional submarine in the world, second to none. It is so ‘bad’ that it sank the American fleet.
in Pacific trials without detection. But Steve Bracks would never let the facts get between him and a bucket of money.

The truth is that the $6 billion contract will be shared around the states, as it is too big for one state to do all the work. But, since Mr Bracks wants to make some comparisons between Victoria and South Australia, it is probably opportune to make a few. Victoria has the worst industrial relations record in Australia. In the five years to June 2004 Victoria had lost, on average, 368 working days per 1,000 employees. South Australia, by contrast, has the best record. It is 67 per cent lower than Victoria and 59 per cent lower than the national average.

The bid by Tenix will be based in the Williamstown dockyards in Melbourne. There is no comparison between that 19th century facility and the site at ASC at Osborne in my electorate of Port Adelaide, with the Port Adelaide site being far superior. Not only does South Australia have the best site, the best industrial relations and the best work force but it also has the most effective cluster of defence groups anywhere in Australia and therefore the best capability of any state.

As I said earlier, the work from the air warfare destroyer contract will be spread around Australia. But South Australia definitely has the best case. This is recognised by Western Australia’s bid. The federal government has assured all bidders the contract will be awarded on merit. Is that why Mr Bracks and his government are having a panic attack? Perhaps he should audition with Billy Crystal and Robert De Niro for Analyse That! Have they realised that their Williamstown dockyard is, as I said, a 19th century shipbuilding site surrounded by up-market suburbia? By contrast, South Australia’s site at Osborne will be state of the art as far as shipbuilding is concerned.

As I said at the beginning, South Australians get a little sick and tired—as do Western Australians—of the cheap shots made by some in the Eastern States. Although the people of South Australia and Western Australia know this is nearly always due to sour grapes, shot callers and inferior intellectual capacity, it is nevertheless tiresome. Let the bids be decided on merit. On that basis, South Australia should not be complacent but ought to be quietly confident. The winning bid will be announced in May-June by the federal government. We will watch the announcement with interest. (Time expired)

Mr SLIPPER (Fisher) (9.49 a.m.)—With the academic year about to resume for 2005 and many school leavers ready to take their first steps into a university lecture hall or tutorial room, I rise today to bring to the attention of this place the admirable, essential and innovative work of the major tertiary institution located in my electorate of Fisher, the University of the Sunshine Coast. This public university is located approximately 100 kilometres north of Brisbane and occupies 100 hectares of the most beautiful Sunshine Coast region at Sippy Downs, just a stone’s throw away from the world famous beaches of Maroochydore, Mooloolaba, Kawana, Caloundra and all points in between.

The University of the Sunshine Coast was founded as the Sunshine Coast University College in 1994 and opened in 1996. After many years of hard work and lobbying by the university founders and through the significant efforts of both my colleague the member for Fairfax and me, the Sunshine Coast University College was granted full university status in 1999 and changed its name to the University of the Sunshine Coast. This university now boasts three
world-class faculties—the Faculty of Arts and Social Sciences, the Faculty of Business and the Faculty of Science—altogether offering 32 undergraduate, 23 postgraduate and 13 external degree programs. Student enrolments have steadily grown since the university’s inception and last year reached a total of 3,862, the largest contingents coming from local and regional populations and from overseas.

I am particularly pleased to note that the University of the Sunshine Coast has been allocated 1,080 new places out of a total of 6,500 new places allocated to the whole of Queensland between now and 2008, and I want to commend the Minister for Education, Science and Training for his support. Indeed, 395 new places have been made available for this academic year. This is great news for the university and recognises the emerging role the university is taking in regional tertiary education and development. The breadth of disciplines for the new places is also very important. It is also important to recognise that the university is a vital asset not only to the academic and tertiary institution community of Australia but, more importantly, to the people of the south-east Queensland region. Forty-four per cent of the students who attend the university come from low socioeconomic backgrounds, and a huge 40 per cent of the students are the first in their family to attend university. These statistics are not limited to just the school-leaver cohort, as the average age of students is approximately 25 years.

The university’s stated mission is to be the ‘major catalyst for the innovative and sustainable economic, cultural and educational advancement of the region through the pursuit of international standards in teaching and research’. I would like to commend the university on its work and the vice-chancellor, Professor Thomas, on his outstanding leadership and also the Australian government on the continuing support it gives to this vital institution. I am particularly pleased this year to employ in my office a local graduate of the university, Daniel Adams. He is typical of the students who are emerging from this institution. I am sure the University of the Sunshine Coast will go from strength to strength.

Workplace Relations: Bargaining

Mr BRENDAN O’CONNOR (Gorton) (9.52 a.m.)—Most people in Australia recognise Richard Pratt as a good businessman, as a good corporate citizen and, indeed, as a socially responsible one. I can recall his role in raising funds after the disastrous tsunami hit Asian countries. But I would like to draw the parliament’s attention to some concerns I have not so much about Richard Pratt but about his business Visy pulp and paper—in particular, the company’s site in Tumut, New South Wales.

The mill in New South Wales was established in February 2002 and the employees there have been seeking to collectively bargain with their employer for some time. Just to give the parliament some history on the matter: when the site was established, all of the employees were placed on AWAs, which was one of the provisions pursuant to the Workplace Relations Act 1996. But from that inception to the present time, when the AWAs have in the main nominally expired, there has been an intention by the majority of employees to collectively bargain. In fact, most of those employees have now joined the Pulp and Paper Workers Branch of the CFMEU.

It seems to me that Richard Pratt’s company should provide the opportunity for employees to collectively bargain. Indeed, some of the provisions in earlier instruments regulating the company’s employees did not allow for representation and limited the capacity for workers to bargain. Given the fact that a majority of employees now wish to collectively bargain, I ask
Richard Pratt, his company and his managers to allow that to happen. It is clear that there is provision under the act to allow for Australian workplace agreements. There is also provision for collective agreements. It is the will of the majority to have the conditions of employment contained within a certified agreement, and the company refuses to negotiate. As I understand it, this matter will be before the Australian Industrial Relations Commission tomorrow. I call upon Richard Pratt, who has had a very good name and reputation. I do not think it needs to be besmirched by his acting in such an unfair and antiworker fashion.

Wakefield Electorate: Respite Care

Mr FAWCETT (Wakefield) (9.55 a.m.)—I rise today to speak about caring. Most people in this country are characterised by their ability and will to care. The response to the recent tsunami is testament to this. We care for our work mates, our families, our sporting teams and our environment. Most of us, when we are busy or worn out, have the option of taking a break from the activities associated with caring. Someone else will carry on with the fundraising, and perhaps the extended family will look after our children. Older family members and friends can give us some space to revive and to restore the physical and mental strength we need to continue in our caring roles. But some in our society do not have this option. I refer specifically to people who are primary carers of family members with a disability. This is particularly true when a family member has antisocial, violent or otherwise difficult behaviours, and opportunities to take time out can be few and far between.

Across my electorate of Wakefield I have met people who have given up what many of us would consider to be a normal life so they can care for family members. In fact, to provide this care, many have given up hope of having what most people would consider to be a reasonable quality of life. While this is true across the Wakefield electorate, the problem is acute in regional areas, where access to support such as emergency care and planned respite care is limited, if it exists at all. The result is often that carers become physically and emotionally hurt people who struggle to cope with their role but see no alternative.

Why is that so? It can be hardly said that the need is not known. Many of these people have stood on the steps of the South Australian Parliament House and appeared on the front page of the Adelaide Advertiser, calling on the state government to live up to its rhetoric by putting resources into disability services in general and into regional areas in particular. For too long, the real needs of these people have been overlooked. It is not necessarily that nothing has been done or that no resources have been provided but that one of their most basic needs—the opportunity for realistic and regular breaks—have not been met and it is damaging their health and the long-term viability of their relationships.

This is not just another round of blame- or cost-shifting. The responsibility to provide services lies with the federal and state governments’ disability agreement. This agreement says that the two levels of government will meet to consider opportunities for joint service development, particularly in rural and remote areas. It is time that the needs of carers in our community are treated not as an adjunct to policy and service design but as the goal of collaboration and service delivery.

In some of the areas where the barriers are high, a move toward joint ventures between all levels of government, service providers, community groups and carers, with a focus on outcomes not process, is the only way that people will regain their trust in the will and ability of
our nation to care well for those who need support. I call on all levels of government to join together in finding a way to demonstrate an effective way that Australia cares. *(Time expired)*

**The DEPUTY SPEAKER (Hon. I.R. Causley)—**In accordance with standing order 193, the time for member statements has concluded.

**GOVERNOR-GENERAL’S SPEECH**

**Address-in-Reply**

Debate resumed from 10 February, on motion by Mrs Markus:

That the address be agreed to.

**Mr WAKELIN (Grey) (9.58 a.m.)—**Last week, when I was interrupted in this place by time, I was making a point about some unfinished business in respect of education within Australia. In his speech, the Governor-General highlighted the magnificent record of this government, including the consolidation of our economic position and our embarking upon a number of very important social changes. In continuation, I would make the point that, for me, regional education is at the top of the list for further work—that is, we have unfinished business. To continue with very important social change, including improvements to rural life, we need to bring far greater equity to all people so they have access to university and tertiary education.

That certainly has implications for secondary education. Our technical colleges policy, which is quite an exciting announcement and has certainly captured the imagination of the Australian people, is an important initiative. But that is only one small part of the work that needs to be done to establish the economic need, the social need and sheer straightforward, commonsense fairness in terms of access by regional people to university and tertiary education. We have a strong economy; we can afford it. Therefore, as I said in my comments last week, I look forward to bringing forward this debate in a more aggressive way, in a way which brings far stronger results and starts to get regional people up to the same kinds of results, the same kinds of retention rates and the same kinds of participation rates as urban communities.

In the few minutes that I will take this morning, I also want to address the issue of alcohol in our community. I have just come from a very good presentation by Professor Ian Webster from the Australian Alcohol Education and Rehabilitation Foundation. It is important to recognise that alcohol is one of those things that just gets under the radar screen. It is a significant contributor to a great number of social ills, and I will quote a few. It is estimated that 70 to 80 per cent of night-time assaults, 50 per cent of domestic and sexual violence, 50 per cent of deaths from assaults, 44 per cent of deaths from fires, 35 per cent of industrial accidents, 34 per cent of deaths from falls and drownings, 30 per cent of all road deaths, 16 per cent of child abuse deaths and 12 per cent of suicides are attributed to alcohol, where alcohol is a major factor. That is a fairly significant set of statistics laid at the feet of alcohol and its abuse.

Further, it is worth noting that it is estimated that three young people die of ecstasy abuse every year in Australia, and we have contributed something like $2 billion to the management and control of illicit drugs. In terms of alcohol abuse, it is estimated that six young people die every week in Australia. Over the last seven or eight years the Commonwealth government has contributed something like $50 million. So there is a real issue of balance and about what government should be doing to challenge all of us. As one who has enjoyed a drink as much...
as the next person, a beer as much as the next person, there appears to be a very large degree of ignorance about what the actual impact is on our society. There is a huge challenge in front of us to understand the issue. It has a huge impact on our health budget and on our everyday life—just walking down the street—and it is totally underestimated. We now have this quite incredible other statistic: it is estimated that 25 per cent of intensive care admissions, particularly on Thursday, Friday and Saturday nights, are related to alcohol. Five per cent of Australians are alcohol dependent.

I will just conclude on this statistic, which I think will bear a lot of analysis. There is great concern in the government and within the parliament about the increase of those on disability pensions. The cost is in the billions of dollars. It is estimated that over half of those people on disability pensions are there as a result of mental illness. If we understand that alcohol is a major cause of depression then we can understand that we have a long way to go in this country to understand what we are really dealing with. I repeat those statistics: six young people die every week in Australia from alcohol abuse and we have spent about $50 million over the last seven years; three young people a year die from ecstasy abuse and we have spent something like $2 billion on the management of illicit drugs. There is a huge challenge in front of us. I once again acknowledge that great speech by the Governor-General. I look forward to this parliament as I think we are in for some exciting times.

Mr ALBANESE (Grayndler) (10.06 a.m.)—I am pleased to make a contribution to the address-in-reply debate on the Governor-General’s speech. Today it is appropriate that I concentrate on environmental issues. Today is, of course, Kyoto day. It is the day on which 140 nations plus the European Union have joined together in a historic agreement to take international action on climate change. The significance of this should not be underestimated. The Kyoto protocol is certainly not perfect, and Labor does not argue that that is the case. However, we do argue that it is a critical first step in addressing the climate change issue. It began way back in 1990 at the United Nations. The United Nations convened the Rio summit in 1992 and negotiations took place leading up to the Kyoto protocol in 1997. At that time the Prime Minister said:

We end the year having achieved this ... absolutely stunning diplomatic success at the Kyoto conference. That was an extraordinary achievement, that Kyoto summit—an absolutely extraordinary achievement—and it was against all the odds.

... what we were able to do at Kyoto was, both, make a massive contribution to the world environmental effort to cut greenhouse gas emissions but also to protect Australian jobs ... thanks to the superb negotiating job that Robert Hill did at Kyoto, we achieved a win for the environment and a win for Australian jobs.

That was Prime Minister John Howard on the AM radio program on 19 December 1997. Indeed, the Prime Minister was right then, but he is wrong now, because Australia in 2002 chose to announce that we were withdrawing our support for the Kyoto protocol. I intend to make further comments on that later in this address.

I am very excited to have been given the opportunity by the former leader, Mark Latham, to be the shadow minister for environment and heritage. Firstly, I want to pay tribute to my colleague Kelvin Thomson for the strong and coherent environmental platform he developed and which Labor took to the 2004 general election. It was a policy framework which ad-
vanced the national debate in key areas, including climate change, salinity, the Murray-Darling Basin, coastal ecosystems, the Daintree and Tasmania’s old-growth forests.

At the beginning of the 21st century, one cannot help but look back over the past 200 years and marvel at our scientific progress, whose application has provided us with not just a better understanding of own world but has enabled us to explore the far reaches of the galaxy. While this progress has undoubtedly enriched our lives, it has also had profound consequences for the health of our planet.

While revolutionary advances in medical science have significantly cut infant mortality rates, increased life expectancy and controlled the spread of infectious diseases, they have also accelerated population growth. In just the last 200 years, the world’s population has increased sixfold and is expected to reach 8.9 billion by 2050. Industrialisation and technological innovation, while transforming the methods of producing the goods and services that underpin our ever-increasing living standards, also emit significant amounts of pollutants into the soil, the oceans and the atmosphere as well as relying on the exploitation of finite natural resources. The impact of our activities on the natural environment is large and growing.

Today’s progress runs the very real risk of being achieved at tomorrow’s expense. The state of the environment is the most fundamental of intergenerational issues. Left unchecked, environmental degradation has the potential to cripple economies and radically alter human existence on this planet. At the beginning of this century, the global community is at a crossroad. The science is clear and compelling: ecological decline is accelerating and many of the world’s ecosystems are reaching dangerous thresholds.

Over-exploitation of our natural resources, habitat loss from urbanisation and the clearing of forests for farmland, competition from introduced animals and plants, along with climate change induced by a 30 per cent increase in atmospheric concentrations of greenhouse gases are threatening the world’s biodiversity. The facts are these: an eighth of all birds, a quarter of all mammals, a third of amphibians, 50 per cent of turtles and tortoises, and 8,323 plant species are on the brink of extinction. According to the IUCN, the World Conservation Union—a body representing 10,000 internationally recognised scientists and experts from more than 180 countries—the current extinction rate may be 100 to 1,000 times the natural rate, a rate not seen since the end of the dinosaurs 65 million years ago.

Since the industrial revolution average global surface temperatures have risen by one degree Celsius—the most dramatic rise for over 1,000 years. The five hottest years on record have occurred in the last seven years, the 10 hottest in the last 14. Snow cover has decreased 10 per cent since the 1960s and glaciers that have not retreated since the last ice age 12,000 years ago are now doing so.

Average temperatures in the arctic are rising two to three times faster than the global average, resulting in the region’s ice caps losing half their thickness in recent decades. These changes not only threaten local animal species but also have implications for sea levels and global biodiversity as local habitats for migratory species disappear. In 1998, most of the corals of the Indian Ocean died and, in 2002, there was mass coral reef mortality across the South Pacific. In total, more than a quarter of the world’s coral reefs, the most productive and diverse ecosystem in the ocean, have been lost.
According to the World Commission on Water, more than half the world’s major rivers are seriously depleted and polluted, degrading and poisoning the surrounding ecosystems. Forests are being cut down at a rate of nine million hectares a year, equivalent to losing 2.4 per cent of the total forested area each year. Deforestation of tropical forests is almost one per cent per year. Alarmingly, at least half of all logging activities in vulnerable regions such as the Amazon basin, Central Africa, South-East Asia and the Russian Federation are thought to be illegal. Three-quarters of fisheries stocks are exploited at or above maximum capacity and several have already collapsed due to over-fishing. Although ozone loss over Antarctica appears to have stabilised, there is no direct evidence of long-term recovery. Natural disasters caused by extreme weather conditions are rising three times faster than those, such as earthquakes, that are not.

Environmental decline is also exacting a human toll. Even after decades of declining poverty in many nations, 1.2 billion people lack access to clean water and hundreds of millions breathe unhealthy air. Environmental degradation is worsening many natural disasters. For example, population growth has led people to settle in flood prone valleys and unstable hillsides where deforestation and climate change have increased their vulnerability to natural disasters such as tropical storms.

Worldwide, the number of people affected by floods alone has risen from seven million in the 1960s to 150 million today. But while it is easy to become despondent at the damage human activity has already done to the health of our planet, there are emerging signs of progress that provide hope:

Today, of course, the Kyoto protocol comes into force, which aims to cut greenhouse gas emissions amongst industrialised nations by 5.2 per cent below 1990 levels by 2012. British Prime Minister Tony Blair has stated his commitment to making climate change a priority during his presidency of the G8 group of industrialised nations. This important economic body represents the world’s largest economies, including the United States, which account for 47 per cent of global emissions.

Earlier this month, seven African leaders signed a joint treaty protecting their continent’s massive rainforests, second only to those found in the Amazon basin, from logging. Described as being one of the world’s two lungs, the African forests have been shrinking at a rate of 8,000 square kilometres per year.

While responsibility for the significant examples of environmental degradation that I have listed earlier must be shared by all the nations of the world, Australia’s stewardship of our natural environment has been inadequate of itself. Pressures on Australia’s diverse and fragile environment continue to grow. The Australia state of the environment 2001 report, compiled by an independent committee for the Commonwealth Minister for the Environment and Heritage, concluded:

...the state of the Australian natural environment has improved very little since 1996, and in some critical aspects, has worsened.

After 217 years of European settlement, the environmental body count is mounting. Australia’s coral reefs, including the iconic Great Barrier Reef, have been degraded by sediment and nutrient run-off and bleaching events. Three thousand unique natural habitats and 1,500 species have disappeared. In Queensland alone, one million hectares of vegetation was cleared between 2001 and 2003. More than 50 per cent of Australia’s eucalypt forests and three-
quarters of its rainforests have been cleared for agricultural, industrial and urban development. More than two million hectares of arable land has been lost to salinity, costing the economy about $1 billion a year in lost agricultural production and environmental damage.

According to a recent National Land and Water Resources Audit report, one-third of Australian rivers are in extremely poor condition. The rivers and associated ecosystems of the economically important Murray-Darling Basin are a high-profile case in point. The Australia state of the environment 2001 report stated:

... Australians still have major challenges in the sustainable use of resources and in the maintenance of our natural and cultural heritage.

The Howard government repeatedly laments the many environmental problems confronting Australia and the planet but lacks the vision and conviction to deliver positive outcomes.

Domestically, the government’s approach to addressing the many environmental challenges confronting Australia has been characterised by the setting of deadlines it has no intention of filling, by an incapability of building strong partnerships with other levels of government and by the allocation of funding it is unable to spend effectively but which is targeted at achieving political rather than environmental outcomes. To find a prime example of this approach, you need look no further than the government’s much vaunted National Action Plan for Salinity and Water Quality. An Australian National Audit Office investigation found three fundamental areas of mismanagement. The first was a failure to meet a set timetable for action. The report stated:

The consensus from consultations during the course of the audit indicates that this will not be possible within the eight-year timeframe originally envisaged for the NAP.

The second area was a failure to deliver positive environmental outcomes. The report stated:

From the survey conducted by the ANAO of regional bodies, only eight per cent of regions agreed with the statement that, ‘decisions on funding for regional plans and investment strategies are timely and address the needs of the regions’.

The third area was the significant underspend. As at 30 June 2004, the halfway point of the program, only 23.75 per cent of the $700 million committed to the program had been allocated to projects.

Internationally, the government’s attitude is best epitomised by its approach to climate change, and the Kyoto protocol in particular. On the one hand, you have the Prime Minister telling Australians that ratification of the Kyoto protocol would cost jobs and place unfair fetters on parts of the economy; on the other hand, you have his environment minister lecturing the international community about how inadequate and half-hearted the agreement is. Extraordinarily, today the Minister for Industry, Tourism and Resources was quoted in the Sydney Morning Herald as saying:

“Whether or not those emissions are causing climate change, I don’t know ...

“If you go back across history, millions of years, carbon-dioxide levels go up and down and global warming comes and goes. I mean, the Earth is a lot warmer than it was when the glaciers formed.”

I have to say that is correct. It is also correct that the world is round. The fact that the minister is a member of the National Party is no excuse for that attitude of climate change scepticism, about which the Minister for the Environment and Heritage, on 4 January, said:
I think we need to engage the climate sceptics, those people who are pulling the doona up over their heads, and get past the debate over whether or not climate change is real. Climate change is real. As British Prime Minister Tony Blair has warned, climate change could be ‘a challenge so far reaching in its impact and irreversible in its destructive power that it alters radically human existence’.

From day one, Labor has been committed to ratifying the Kyoto protocol and to greenhouse gas reductions across all sectors. By contrast, the government has refused to sign the protocol and has relied on the states phasing out land clearing to achieve Australia’s target. Labor believes implementation of the protocol is only the start of a truly long-term strategy, one that will be handed to our children and grandchildren. That strategy must be working with other nations to set progressively more stringent time bound emission targets over the next 50 years; assisting developing countries to meet those emission reduction targets; and building regulatory and market based systems that will see Australia meets its commitments, generate economic opportunity and provide model systems for other countries. The government will have none of those. Instead, the government plays the role of the environmental sceptic and uses its transparent, tired old strategies of funding demonstration projects and R&D activities to bury the issue, such as with its proposals in last year’s energy white paper.

Without a doubt, reversing environmental degradation and putting our economy onto a low carbon and sustainable footing will be amongst the most difficult issues confronting Australian governments over coming decades. Labor does not, however, accept the argument that the pursuit of environmental sustainability threatens future economic and employment growth. Eban Goodstein, author of *The Trade-off Myth: Fact and Fiction about Jobs and the Environment* recently wrote:

For almost thirty years, economists have been gathering data on the employment impacts of environmental regulation, and the facts are in. For the economy as a whole, there simply is no job-environment trade-off.

To the contrary, just as science and technology have given us the tools to measure and understand environmental problems, so too can they help us solve them. The potential for innovation, scientific discovery and hence business investment growth is immense. With the right policy framework, the very act of addressing our environmental challenges has the potential to unleash new commercial forces and unforeseen business opportunities. New jobs, new technologies and new markets opened by clean energies bring economic benefits. In Spain, Denmark and Germany alone the expansion of the renewable energy sector has created about a quarter of a million new jobs in the last few years. The Howard government’s refusal to show leadership at home or be part of international efforts such as the Kyoto protocol is not only reckless environmental policy but also bad economic policy.

It is clear that stemming environmental degradation and creating an environmentally sustainable global economy requires, above all, leadership. What remains in doubt, however, is whether today’s political and business leaders are going to rise to the challenge or whether we are simply going to leave the problem to future generations. I believe that, precisely because of the magnitude of the challenge, we do not have the luxury of delaying action any longer. Thankfully, there are people in industry with the foresight to acknowledge that a transition to a sustainable global economy is not a matter of whether it will happen but how and on what timescale.
Lord Oxburgh, the non-executive Chairman of Shell, one of the world’s biggest energy and petrochemical companies, recently wrote:

Coal and oil have successfully fuelled the economic development of the western world for a century and a half, and demand for energy will continue to rise sharply. But by starting to manage our carbon dioxide emissions now, we may be able to limit the effects of climate change to levels to which we can adapt.

To their credit, Shell have taken up the challenge. They have committed themselves to reducing their greenhouse gas emissions by at least five per cent below 1990 levels by 2010 and investing in wind power, solar energy, hydrogen, biofuels and cleaner ways of using coal. Approximately 20 per cent of the solar panels now installed around the world have been made by Shell.

Another major energy supplier, British Petroleum, has set and achieved a target of reducing its own greenhouse gas emissions by 10 per cent in just three years through the application of new technology, more efficient energy usage and the elimination of flaring and, in so doing, improved its bottom line by some $650 million. In 2000 the Chairman of the Ford Motor Company questioned the long-term future of both the internal combustion engine and the personal car, as his company has stepped up its efforts to develop new transportation technologies.

I wish to conclude my comments by making this point. It appears that everybody today, from governments to corporations, support and endorse environmental sustainability. Many go to great lengths to detail on their web sites, in their annual reports to shareholders and on budget nights the initiatives they have undertaken to protect our natural environment. It is now part of the economic bottom line. While the adoption of the language of sustainability by such a diverse group of organisations is a welcome development, the concern is that it is not being turned into substantive action. Instead, it is simply being used to placate critics.

Dr Richard Denniss, Deputy Director of the Australia Institute, has warned:

Sustainability now seems to have more to do with sustaining the status quo than it does with sustaining the environment.

If we do not start today making radical changes to the way we relate to our natural environment, then the promises of environmental sustainability will not be realised and the world we leave to our children and grandchildren will be in worse shape than the one we inherited. I think it is indeed a tragedy that this morning I moved that we have a debate and a vote on my Avoiding Dangerous Climate Change (Kyoto Protocol Ratification) Bill 2005. What an outrage that the world is celebrating the coming into effect of the Kyoto protocol and yet, here in the Australian parliament, we are not even having a debate. We need to move beyond that and recognise that the environment is not a fringe issue, because, when it comes to our natural environment, there is no second chance.

Mr NEVILLE (Hinkler) (10.25 a.m.)—It gives me a tremendous amount of gratification to stand in the chamber today to contribute to the address-in-reply debate on the Governor-General’s speech. Like all members, I am very proud of the result of the last election, the return of the government and, particularly, the very strong swing in the seat of Hinkler. The seat of Hinkler has always had a marginal status. In the previous election my margin was reduced to 64 votes—one of the narrowest we have ever had in Australia. The 2004 election was for both me and the government, certainly in my area, a bit of a litmus test.
Hinkler was one of the most diverse electorates in the country, incorporating the sugar city of Bundaberg in the south, the growing industrial city of Gladstone in the north and the coastal communities and rural centres in between and in the hinterland. Each population centre has its own distinct character, its own pressing needs and, sometimes, difficulty in identifying the common threads that are necessary to drive the electorate forward. Prior to this election Queensland’s electoral boundaries changed as a result of redistribution. This had a quite dramatic effect on Hinkler. The electorate lost the historic mining town of Mount Morgan in Capricornia in the immediate Rockhampton hinterland, and gained the six hinterland shires of Eidsvold, Perry, Kolan, Monto, Gayndah and Mundubbera.

Mr Georgiou—Did you pick up or lose?

Mr Neville—We picked up 2.3 per cent.

Mr Sercombe—Is that why you won?

Mr Neville—No. I will tell you all about it in the speech. Before I leave the matter of Mount Morgan, I will say that it is one of the most challenged townships in Australia. That is not said with any criticism. Mining towns that have been deserted by mining companies can be very sad places. For the six years that I represented the area I put in the biggest effort possible, as did my predecessor, Paul Marek, in the previous three years. Paul spent a lot of time getting a new dam for Mount Morgan and that was very successful. I got a road of national importance from Mount Morgan to Kabra.

Mr Sercombe—Is that a regional rort?

Mr Neville—No, it is not a regional rort. Kabra is where the AMC plant was planned, on the basis that it would put the people of Mount Morgan in closer touch with jobs. I was also able to have their historic railway restored. With the support of my then leader, Tim Fischer, we were able to get a living museum concept, established out of a mining museum, under way. That was also supported, later, by the state government. We put in a black spots TV tower. We improved mobile telephony with the installation of a CDMA tower. And, at the time that I left that part of the electorate, we had funding for a nursing home and a toxic filtration plant on the open-cut mine under way.

I might add that no other representative of the area, from either state or federal Labor, has ever put that much effort into Mount Morgan. Its parlous state today is partly attributable to the neglect it suffered in those early days. Although the geographic area of Hinkler has expanded, the new-look electorate has boosted our shared community of interests. This new-look Hinkler contains almost all the local authorities of the Burnett catchment area and the Bundaberg irrigation scheme, including the Lake Monduran and the new Paradise—or, as it is sometimes known, Burnett Dam—areas. It brings together the entire sugar growing area of the region and almost all the citrus of the region. In terms of roads, health services and development bodies, the new electoral boundaries have bought together districts of commonality. Do not get me wrong, the region still faces its own unique challenges, but the new electorate boundaries have made Hinkler a far more unified electorate, and it follows from that that the federal member can concentrate on getting things done that are relevant not just to the cities but also to their immediate hinterlands.

I turn now to my good colleagues opposite who asked about the swing at the last election. The primary swing in Hinkler was 6.6 per cent, of which 2.3 per cent was a redistribution—so
there was still a very healthy swing over and above the redistribution. I am absolutely de-
lighted in the faith that people put in me across the electorate. It is interesting to transpo-
se those figures onto the four state seats that are in Hinkler. In Bundaberg, where the coalition in
the past has always faced strong challenges, we now hold a majority of 51.4 per cent. In Bur-
nett, which is the shire around Bundaberg which is semirural and part coastal, we polled 58.4
per cent. In Callide, which is the hinterland area of North Burnett, we polled 65.7 per cent.
The very interesting one, where I did not actually gain a majority, is Gladstone, which was
traditionally a Labor seat. That seat is held by an Independent in the state parliament at pre-
sent. There we polled 48.6 per cent, which is just unheard of for the coalition.

I think in the end that the election result demonstrated a number of things: that the voters of
Hinkler demanded results from their federal representative, and that parties must select candi-
dates of credibility and commitment and not bow to political correctness and factional inter-
ests. I think the results can also be partly attributed, if I am being totally honest, to the re-
moval from the scene of the distractions of One Nation and single issue Independents. We
were able to focus on the key issue: whether people wanted the coalition or Labor. Although
there were still eight candidates, there was very little distraction. To some extent Family First,
which pitched a little to the right, and the Democrats and the Greens, which pitched a little to
the left, tended to cancel each other out.

Having said that, it has been a tough seat to hold over these five elections. The margins
have been as little as 0.4 per cent, 0.3 per cent and less than 0.1 per cent in three of those five
elections. I have never told this story publicly before, but I actually went into the 1998 elec-
tion after a redistribution on a notional 48.7 per cent. I was not even game to tell my cam-
paign committee about that—I just let it slip away into the ether. As it turned out, we got that
up to 50.3 per cent. While I take no pleasure in my opponents’ defeat, I think there are some
aspects of this campaign that must be raised. Hinkler’s marginal status placed it firmly in the
sights of the opposition. They used a string of advertisements, flyers and commercials which
tried to denigrate me as the member. The printed material must have cost the ALP a fortune. It
must have been 2 ½ to three times what we put out. But strangely a lot of people found it dis-
tasteful—as did I from a personal point of view. There was one ad where they rolled my eyes
in my head, distorted my face and gave me buckteeth. While it did not worry me all that
much, I think it demonstrated poor taste and poor political strategy on the part of my oppo-
nents.

It was interesting that my campaign office received innumerable phone calls and letters
from people saying that they had intended to vote for Labor but they had been turned off be-
cause of those commercials and they were going to support me. That was quite extraordinary.
I always treat my political opponents when they come to my electorate with great respect. If
they want to look around the place or have a meal with me, I go out of my way to help them
because I realise that we all have a job to do down here. That is why I found that hurtful and
distasteful.

It was an odd feature of my opponent’s campaign that, virtually from her preselection on
day one, she spent all her time talking down her chances of victory. She speculated in the me-
dia about what she would do if she lost the election. She complained about how the local La-
bor factions refused to support her campaign—she was a left leaning candidate and some of
the right wing branches would not work for her. She tried to justify her method of preselec-
When she was selected the gender weighting was added after the voting had taken place, which of course caused innumerable difficulties for the right wing branch, especially in Bundaberg. Our campaign took a totally different track. Rather than drag my opponents into the mud, our campaign focused on the achievements in Hinkler since the coalition came to power in 1996 and we articulated a continuing vision for the future.

Let me talk a bit about what has happened in Hinkler since 1996. I keep a very close tab on Centrelink figures. In Bundaberg they have dropped by nearly 50 per cent, from over 6,000 down to the low 3,000s. That has been partly due to programs like Regional Solutions, Sustainable Regions and Regional Partnerships, which in my area are not denigrated. For example, those programs have seen firms get under way like Austchilli, with half-a-million dollars; Queensland Sea Scallops; and Salmat, a telephone company. The Bundaberg Technology Group has also been drawn to the region, and I would like to see some support for them. In Gladstone, where employment is always much easier, the Centrelink figures have come down by 40 per cent since we came to power. Comalco and some of the new industries there have played an important part in that.

I would like to acknowledge my campaign director, Rod Wilson, who has now seen me through five elections; my deputy campaign directors, Dick Bitcon, Don Holt and Hec Kilah, who were very assiduous in their duties in the three areas of the electorate; and Betty Reddacliffe, who was a wonderful campaign treasurer—she watched every cent and the campaign came in on the positive side. My staff of Lesley Smith, Heather Hawkins, Leanne Ruge, Kate Barwick and Rosina Johnson gave 110 per cent to the campaign. Between them my staff have 34 years of combined experience in representing Hinkler with me. I would like to make special mention of the work of Lesley Smith and Heather Hawkins, who have been with me from day one.

I also received tremendous support from the state National Party member for Burnett, Rob Messenger, and the former member for Keppel, Vince Lester, who actually doorknocked for me—it staggers me that any ex-politician would want to doorknock for a current one, but that is what he did; and he was a particularly good doorknocker—Meredith Dickie, who came up from Melbourne to assist; Mike Evans and his team; former staff Jill Skelton, Flora Barwick, Anne Pilitz, Ernie and Elaine Jobson and hundreds of others who worked throughout my campaign. This team in Hinkler put in a tireless effort for months before the campaign proper commenced and continued to work non-stop up to the victory.

I must pay tribute to my wife, Margaret, who has been at my side at each and every campaign; and to my children, particularly my son Peter and my daughter-in-law Joelle, who have recently returned from the Caribbean, where they had been working, to work in the campaign. I consider the 2004 election to be one of the best campaigns I have fought because of the quality of material, the quality of debate and the quality and presentation of the ministers who visited my electorate. I am particularly very grateful to John Anderson and Mark Vaile, who gave me strong support. I am also indebted to the Prime Minister, who helped in a number of ways behind the scenes in the lead-up to my campaign. All three put in a great effort, which was a great confidence booster to my campaign team.

I now want to move on to some of the things that have happened in my electorate as a result of the coalition’s representation. Hinkler is a very difficult seat. It has traditionally always been in the top three or four in unemployment. It has an endemic unemployment problem. I
will not go into all the details of that today, but it has been that way under governments, state and federal, of different political parties. I think it is to some extent because it has three administrative centres in it, so in each town you do not have the same number of public servants, so government infrastructure in the electorate is not quite as good as it is in some others. That is part of the problem.

It is interesting that Hinkler also had very challenged Medicare figures. I think when I came in its low point was about 39 per cent. Over recent years—and I have put a lot of work into this—Hinkler has gone up to 43.6 per cent. The year before last it was 47.7 per cent, but last year, 2004, there was a remarkable turnaround, where we went up to 60.5 per cent. That was the best in Queensland and one of the best in Australia. That 12.8 per cent increase gives people a choice. I am not a zealot for bulk-billing, nor am I a zealot for the copayment system. But I want there to be choice in my electorate, so that people can access a doctor by the method that best suits them—and for many that is bulk-billing—and so that doctors can practice medicine in the way that they see appropriate if they do not want to bulk-bill. My objective is to get that balance into Hinkler, and we have gone a long way towards it. Last year I was able to get six new doctors into the region, and four of these are bulk-billing. That has also been a big help.

I think Medicare itself has been part of that success. Now that the scheduled fee has been increased to over $30, that helps. That Commonwealth card holders and children under 16 attract a $7.65 additional rebate for the doctor has been a very attractive inducement for doctors who are perhaps contemplating going into bulk-billing to do just that. When you look nationally at the result of this, you can see that across the nation seven out of 10 Australians can now access a bulk-billing doctor and eight out of 10 Australians over 65 can access a bulk-billing doctor. This flies in the face of the gloom and doom that the ALP preached during the election. Their totally unrealistic Medicare Gold would have been a disaster. It was lost on a lot of people during the campaign—I suppose fortunately for the ALP—that in those areas that did not have high rates of bulk-billing, it would have meant an additional charge for copayment, because the ALP’s discounted arrangements only applied where the doctor totally bulk-billed. So for many people it would have meant, I think, about a $4.50 increase. In places like Gladstone, where they charge only a small copayment, that would have meant an even greater one.

Also what is pleasing in the Hinkler electorate—and it is a reflection of the work that has been going on since 1996—is that figures for unemployment for the December 2004 quarter compared to the December 2003 quarter fell by 3.6 per cent, going down to six per cent. That is a huge drop in any electorate. Even more pleasing was that in the Wide Bay statistical region, which covers most of the Hinkler electorate, employment figures went up to 99,100, an increase of 10.4 per cent. In summing up, I would like to pay tribute to my constituents for the support they have given me. I also signal to them that we are now starting to break down the traditional areas of concern in my electorate, and over the next three years we will go even further.

Mr SERCOMBE (Maribyrnong) (10.45 a.m.)—In the week before the parliament came back earlier this month, I was in the Solomon Islands. I was there with two principal objectives in mind. Firstly, given my relatively new responsibilities as shadow minister for the Pacific Islands, I wanted to more closely familiarise myself with the Solomons and a number of
the key personalities. I am very grateful to the support offered to me by the excellent Solomon Islands High Commissioner here in Canberra, Mr Milner Tozaka, in organising a program and also by the very competent staff in the Australian High Commission in Honiara. I had the opportunity to meet a wide variety of people in the political world—the Prime Minister, Sir Allan Kemakeza; the Minister for Foreign Affairs, Laurie Chan; and a range of other government and opposition figures in the Solomon Islands. I also had the opportunity to have close connection with many Australians who are in the Solomons at the moment as part of the regional assistance mission to the Solomon Islands and in other capacities, and a variety of people from various parts of civil society and the economy in the Solomons.

It was also important to go to the Solomons at this time, in part following the cowardly murder of Australian Federal Police officer Adam Dunning in the Solomons shortly before Christmas, to demonstrate support for the regional assistance mission to the Solomons, which is a multilateral Pacific community exercise but in which Australian clearly provides a leading role. Given that there was some debate occurring in the Solomons about aspects of RAMSI, including in the Solomon Islands parliament—that I will touch on in a moment if time permits—it was important to indicate that there was a high level of bipartisan support broadly in Australia for the mission there. Saying that there is bipartisan support is not to say that this side of parliament regards the government’s history on this matter as very credible at all. Perhaps I can illustrate that by reminding you that the mission commenced in June 2003—a bit over 18 months ago—but as recently as January 2003 the Australian Minister for Foreign Affairs, Alexander Downer, had this to say:

Sending in Australian troops to occupy the Solomon Islands would be folly in the extreme. It would be widely resented in the Pacific region. It would be very difficult to justify to Australian taxpayers. And for how many years would such an occupation have to continue? And what would be the exit strategy? In fact, how does one exit from one’s own region? The minister continues:

The real show-stopper, however, is that it would not work—no matter how it was dressed up, whether as an Australian or a Commonwealth or a Pacific Islands Forum initiative. So much for the judgment of the Minister for Foreign Affairs on these matters. Less than six months before the mission was launched, those were the comments the Minister for Foreign Affairs had on the matter, so one would have query his long-term judgment or even his medium-term judgment.

I remind members of the chamber that the mission arose in the context of what was essentially the disintegration of political and civil order in the Solomons from the late 1990s onwards. As the excellent report that probably more than anything else forced the Australian government to take this matter seriously—produced by the Australian Strategic Policy Institute and called Our failing neighbour—indicates, the low point in the Solomons came in mid-2000. The report states:

In late April Ulufa’alu—who was Prime Minister of the Solomons at that time and is now effectively leader of the opposition—fearing a coup, called for Australia to send a detachment of police or military to protect the government and start to restore order. Australia had already provided support to the Commonwealth response; we declined Ulufa’alu’s request, and the coup followed. On 5 June 2000 Solomon Islands police officers aligned with the MEF—

MAIN COMMITTEE
the Malaita Eagle Force—
seized control of a well-stocked national armoury. They deposed Ulufa’alu at gunpoint, taking control
of the capital and effectively usurping the rule of law.

There were a series of requests, including the one that the then Prime Minister made for Aus-
tralia to take an active role and intervene to resolve the problem in 2000. That was studiously
ignored by the Australian government, and there were other requests in that period that were
similarly ignored until the Australian government was forced to act in June 2003. It is some-
thing of a tragedy that the Australian government took so long to act, despite being fully
aware of the situation, for a number of reasons, including the considerable additional suffering
that people in the Solomon Islands experienced. Also, the longer term cost and the complexity
of the problems there became significantly greater because of the failure to act. Nonetheless,
to its limited credit the government did act. I might also refer in this context to my colleague
Duncan Kerr, the member for Denison, who had been on a parliamentary delegation that met
the then Prime Minister during 2000 and who made a number of very passionate and articu-
late speeches urging Australian intervention earlier—but they all came to nothing.

The reasons for the intervention probably have more to do with changes in broader strate-
gic approaches, consequent on 9-11 and the tragedy in Bali, and a perception that failing
states were something that could not be ignored. As Graham Dobell, an excellent journalist
covering Pacific affairs, indicated in an article he wrote in August 2004:
Sometimes you can get good policy for the wrong reasons. The logic process runs: terrorists prey on
weak states; the Pacific has weak states; terrorists will prey on the Pacific. As a driver of the change in
Australian policy, this may well be a case of poor analysis producing good policy. Perhaps, also, there is
still some gap between declared policy and real policy.

He went on to say:
The image of a couple of jihadists trying to blend into the scenery in Honiara is one that conjures up
more mirth than menace. The external threat to the region is posed by the crooks in nice suits: drug syn-
dicates using the Pacific as a production and distribution base, passport and identity salesmen, people
smugglers and money launderers; all the well dressed spivs seeking to use the sovereignty of fragile
states to cover criminal dealings across the globe.

That seems to me to be a very accurate and realistic analysis of the circumstances that pre-
vailed in the Solomons. Some of those problems are not yet completely resolved.

One of the great strengths of the RAMSI exercise is that it is a multilateral exercise. As I
said, it is one that Australia could be regarded as leading but it is one that draws strong sup-
port and commitment from a significant number of countries across the Pacific. It was inter-
esting to see whilst I was there that the parliament of the Solomons was deliberating on a re-
port produced by an intervention task force. It is a review of the first year of performance of
the Regional Assistance Mission to the Solomon Islands. This particular task force was
chaired by a very eminent Solomon Islander, Paul Tovua, and it describes initially the RAMSI
mandate.

In short order, the four parts of the mandate are, firstly, to restore civil order in Honiara and
throughout the rest of the country; secondly, to stabilise government finances; thirdly, to pro-
mote longer term economic recovery and revive business confidence; and, fourthly, to rebuild
machinery of government. The task force comes to a number of conclusions, many of which
are very positive for the Australian led exercise. The report says:
There is overwhelming support and acceptance of RAMSI in the Solomon Islands. Its overall performance for the first year was been seen by many to be successful.

A second conclusion is that it is important for the Solomon Islands government to be seen as an equal partner and an active participant in the whole process. A further conclusion is that the four elements of the RAMSI mandate I have just referred to remain relevant. It goes on:

The achievements made on the four elements range from moderate to highly significant, and their impact varies depending on the influence they had on specific conditions in particular areas.

It goes on:

During the first 12 months of RAMSI, improvements in law and order have made the most significant and immediate positive impact on the lives of Solomon Islanders.

I think that demonstrates that there has been considerable success. It is a pity that things had to deteriorate so much that the scale and the complexity of the intervention was significantly increased.

Some issues arise from that. I think it is quite clear that the law and order commitment to the Solomon Islands—the Australian police presence and possibly the Defence Force presence—is probably a long-term one. This generates a situation where undoubtedly there are going to be increasing pressures and strains on the capacity of Australian law enforcement to undertake the types of missions it is increasingly being called upon to undertake in the Pacific. I refer particularly now to the Enhanced Cooperation Program with Papua New Guinea, where significant numbers of Australian police are being deployed into parts of Papua New Guinea—primarily Port Moresby—in support of the civil authorities. As this needs to be a long-term commitment, it is important to consider a few things, including the absolute fundamental importance of maintaining the morale, the vigour, the confidence and the enthusiasm of Australian police.

There are some issues I will touch on here that go to this question, and I am certainly urging the government and the relevant authorities within police to continue to pay very close attention to these matters. I mentioned in my speech in the adjournment debate the other night my experience in going to the main police base just outside Honiara called GBR, where for over 100 Australian and Pacific Islander police there are only four public telephones and no privacy for officers making calls. For the typically young Australians there wanting to maintain contact with loved ones and family back in Australia it is an added burden. There are also only six internet connections available not just for police but also for the ADF people at the same location. There is a lack of privacy and a lack of adequate provision. In addition, our police are paid an allowance for telephone calls but, as DFAT’s own report last year on the Solomon Islands indicates, the cost of telephone calls from the Solomons, even by Pacific standards, is extraordinarily high. The cost of international calls is probably among the highest in the world. There is a serious issue as to whether our police, who in terms of their morale and their capacity to operate effectively need to have the confidence and the morale boost they get from contact with loved ones back home, are adequately served at the moment in their capacity to maintain those contacts.

I know that there are a number of other minor irritants for police officers serving there. For example, during the time I was there a curfew of 6 p.m. was in place on police officers who were not on duty needing to be back at the base. There may well be good security and other reasons for that, but that is an issue that needs to be kept—and I think is being kept—under
close attention by police command. The Solomons is probably the best diving location in the world. There are fantastic dive sites there. They are sites of natural beauty and with Second World War wrecks. However, up until recently—it may well have changed—our police personnel were precluded from diving. Once again, it is an irritant to morale.

Regarding occupational health and safety, we all understand that, after the tragic and cowardly murder of Adam Dunning, our police are wearing body armour in many situations. There may well be occupational health and safety issues associated with the way our police are called on to operate that need to be addressed. I have already discussed some of these with people in police command. I hope that they are addressing those matters.

During the visit I went to the most populous island in the Solomons group, an island called Malaita, and visited a place called Auki which is the provincial capital. There is an Australian policeman, a Fijian policeman and a New Zealand policeman there. It is widely believed that there is a particularly obnoxious individual within the vicinity of Auki, in the villages around there, called Edmund Sae. Edmund Sae was arrested in connection with the murder in 2002 of the then Solomon Islands police commissioner Sir Frederick Soaki. Sae has also apparently been involved in the shooting of two people at the Auki police station. This character is running around, probably not terribly far from Australian and other police officers, with a high-powered weapon or weapons. It is important for the security of our people on the ground that the deterrent capacity of the ADF be kept under continual review so that our police and other people in such places can be confident that they are safe from outrageous criminals like this. Sae is a former Solomon Islands police officer. He has been known to make threats against Australian police. So it is important that very close attention is paid to ensuring the security of our people on the ground, and the ADF has an important role in moving around the country for that purpose. As shadow minister with responsibility in this area, these are issues that I am going to keep an eye on in the interests of the sustainability of the mission in the long term. I hope other members will also keep an eye on these issues.

Police operations in Auki are significantly hampered by the failure to get a magistrate into the town. Malaita and Auki, its capital, are the most populous parts of the Solomons but there is no magistrate in Auki. Apparently it is very difficult to get someone there because of security and other reasons. That matter has to be addressed simply because it makes police operations much more complex as they do not have ready access to a magistrate’s services.

As to the legalities of the situation, I was there during the trial of a fellow called Harold Keke. Keke is charged with the murder of a Catholic priest in the south of the Solomons and a number of other serious charges. The murdered priest at the time was a minister in the then Solomon Islands government. It was a particularly interesting time to observe the situation there.

In this context, there was an interesting article in the *Sydney Morning Herald* on 20 January by the journalist Craig Skehan in which, among other things, he referred to one of the men charged with Adam Dunning’s murder, a man by the name of John Ome. Ome was on bail at the time he allegedly was involved in the murder of the Australian policeman, despite the fact that he was facing charges associated with the torture and beheading of a militia leader called Selwyn Sake. I have a copy of the transcript from the Solomon Islands High Court in relation to that bail matter and when I have more time I will discuss a number of issues in relation to the administration of justice in the Solomon Islands. However, it is certainly of some concern
to Australians that a person with a track record of that type, who has subsequently allegedly been involved in the murder of an Australian policeman, was out on bail at that particular time.

On a more positive note, and taking account of the RAMSI mission which is a broad based mission designed to assist in the reconstruction of the Solomon Islands economy, some positive signs are emerging. The Gold Ridge goldmine, which was closed at the height of the problems on Guadalcanal, is showing positive signs of opening. That is positive in that it sends appropriate messages about the re-emergence of the Solomons economy.

As I said earlier when I was talking about diving, I believe this part of the world has unsurpassed ecotourism opportunities. Last year’s DFAT report on the Solomon Islands, whilst it notes the negative impact of the troubles in the Solomons, refers with some enthusiasm to the opportunities. In looking at the longer term position of the Solomons, as a hopefully constructive neighbour, Australia will focus on and contribute towards a long-term sustainable and productive future for this country. The Solomons, particularly the western part of the country and the western islands, is a superb place for tourism opportunities. I urge those members who are inclined towards adventure tourism to have a good look at it.

The final matter that I will touch on as the discussion on the Solomon Islands proceeds — there is obviously not time now — is culture. I had the opportunity to visit the Solomon Islands museum while I was there. It has superb collections of Melanesian artefacts and art, but they are rapidly deteriorating. Culture was part of the Solomon Islands aid program many years ago but, when the Howard government came to power, it ceased providing support for these sorts of cultural purposes. I will be advocating strongly that Australia offer its support in this fundamentally important area of life in the Pacific.

Ms GAMBARO (Petrie— Parliamentary Secretary to the Minister for Defence) (11.06 a.m.) — I am very pleased to start by thanking the Governor-General for his introduction last year to the 41st Parliament and the Howard government’s fourth term. Some time has passed since then and a lot has happened, including the terrible tsunami tragedy in South-East Asia on Boxing Day. I am proud to say that Australia has responded in an extraordinary way to that tragedy. Both as a nation and as a collective of individuals and businesses, we have led the world in our response, and we are helping the families of those who were killed and those left behind to rebuild their lives.

As the Parliamentary Secretary to the Minister for Defence, I would like to thank all the ADF personnel and their families, both those deployed and those supporting them from Australia, for their incredible efforts. It was trying work under very difficult circumstances. They are all doing a great job helping to restore services and treat the sick and injured as well as undertaking the terrible task of identifying the dead.

Before I go on, I would like to inform the House that I had the delight on 30 January of welcoming home 51 Australian Army personnel from the second contingent of the Australian Army Training Team Iraq. I was very proud to be there, with their families, to represent the Australian government, to thank them for their professional and selfless work as soldiers, for the duty they have done for Australia and for the services they have provided for the Iraqi Army, who are working at rebuilding their country after too many years under a brutal dictatorship. The soldiers arrived home after a five-month rotation to Northern Iraq, and I had the great pleasure of presenting each of them with an Australian Active Service Medal.
The training team was responsible for developing and implementing the training of 2,700 of Iraq’s officers and soldiers. While it was a second contingent, some 6,000 Iraqi officers and soldiers have been through some pretty amazing training. The training covered all areas of basic military skills, including drill, weapon handling, infantry tactics, navigation, leadership and teamwork. Training was also conducted in unit administration and logistics. This training occurred in what can only be described as very difficult, dangerous circumstances. Convoys of food, fuel and water were regularly attacked and I commend the soldiers of the Australian Defence Force for working in extremely testing circumstances.

I would like to use this address to congratulate my colleagues, members and senators from both sides of the House, on their election or re-election. It is always good to come back to the House. Elections are always hard work, no matter what side of politics you are on. It is hard work not only for candidates but also for the teams of people behind them. I know I speak on behalf of everyone when I thank the teams of supporters for the great work they did and particularly my team, which enables me to represent the fine electorate of Petrie.

In its fourth term, the Howard government is in a historic and unique position. We, led by Prime Minister John Howard, will work towards further strengthening Australia’s economy and national security. In uncertain economic times, Australia has maintained a strong economy and created more jobs while recording real wage rises, falling unemployment, low inflation and low interest rates. Prime Minister Howard and the coalition have been given an overwhelming and rare mandate by the people of Australia to continue our work. With that mandate comes a responsibility. I know I speak for many of my colleagues when I say that we will treat that with great respect.

We are going to bring forward legislation about the commitments we have made to the Australian people during the election campaign. In my own electorate of Petrie, the people of the Brisbane northern suburbs and the Redcliffe Peninsula have told me that they respect the coalition for their strong commitment in areas of support for families, education, skills development, small business, health and supporting our nation. The people of my electorate also tell me that they respect a government with the faith in them to let them make their own decisions and their own choices. Families also tell me that they are grateful of the extra support introduced by the Howard government by way of a $300 annual payment and a $3,000 maternity payment to assist families with the cost of raising their children. Those very same families tell me that the election commitment to introduce a 30 per cent child-care tax rebate will make a huge difference to them in their everyday life. It will reduce out-of-pocket costs of child care, and more families in my electorate will be able to add that extra saving to their family budgets. Equally, the increase to the family tax benefit part B to $300 a year will also make a real difference to their lives. One mother I spoke to while doorknocking in the North Lakes area said that the benefits were definitely real, no matter what the now Shadow Treasurer had to say during the election campaign. That mother told me how she tangibly spent that money and was absolutely delighted that she had received it from the federal government.

Over 1.3 million Australians will benefit from the early delivery of the Howard government’s almost $2 billion family tax benefit part B election commitment, and we have demonstrated that we are keen to give those additional benefits to families by announcing this election commitment and bringing it forward by six months to 1 January 2005. The six-month allowance will mean that families receiving the FTB part B will be eligible for cash bonuses.
of up to $150 from 1 July 2005 after they lodge their tax return. Every year thereafter, families will be eligible for a $300 annual increase after they lodge their tax return. Increasing this payment for stay-at-home mums and dads is just another example of how the Howard government is seeking to improve choices in allowing families to arrange their lives according to their personal circumstances. The fact that this commitment will be delivered as a lump sum will allow families to purchase items such as school uniforms—the time for which has just passed in terms of the school year having just started—replace household goods, pay for a special sporting activity and provide a boost to savings for their children’s future.

People in my electorate have told me they wanted a government that had proven experience. I was first elected as the federal representative for the people of Petrie at the time the Howard government came to office, and we inherited the enormous economic mismanagement of the Hawke-Keating years. In March 1996 there was a national unemployment rate of nearly nine per cent, with rises in the early nineties to well over 11 per cent. How can a country function with more than one in 10 people out of work? At this time, unemployment in Petrie was more than nine per cent and, in December 2004, that national figure dropped to 5.1 per cent—a figure which represented the lowest long-term unemployment in 28 years and which showed another reason why the people of Australia entrusted the keys to the Treasury to the Howard government for another three years. In September of last year the unemployment rate dropped to 5.7 per cent in Petrie. This is testament to the efforts this government has put in to getting people back into work, particularly the long-term unemployed. Job creation is an important pillar of this government and is even stronger than it has ever been before. Australia’s unemployment rate is at its lowest since November 1976. Seasonally adjusted figures increased by 44,500 in January to a record high of almost 9,868,200.

The Howard government has said that it will do more to reduce unemployment rates, and reforms of the Australian workplace relations system is one way this will be achieved. I can only hope that we can continue for the sake of the growth and prosperity of this great nation and that the opposition will support us in this wonderful objective. The workplace relations system will need reform and we will need assistance to help people break the cycle of welfare dependency, which we can do through our commitment to programs like the mature age worker tax offset.

We are making it much easier for businesses to employ the staff that they need and to grow their businesses without the fear that after this current commitment they could be bankrupt. There are 1.1 million small businesses in Australia contributing one-third of Australia’s economic wealth, and about one half of these have been created since the Howard government came to power. We have to ensure that businesses are able to prosper and grow and that more new small businesses are encouraged to open their doors.

We are particularly interested in choice in education, and we will continue to fund schools in a manner which accurately represents the choices of Australia’s parents. The Howard government will invest $1 billion from its surplus to restore and build Australia’s school buildings and grounds. Of this $1 billion, $700 million will be spent on high-priority public school infrastructure. The remaining $300 million will be spent on high-priority infrastructure projects in developing Catholic and independent schools, schools for which many parents have made sacrifices to pay their children’s fees and thus the ability of parents to fully fund desperately needed infrastructure is limited.
The Howard government will also ensure that parents are given more accurate and plain-English reporting on their children’s progress by ensuring all report cards are written in plain English. I know that sounds pretty amazing, but I have had occasions in the past when I have had my children roll up with their school reports and I really could not understand where they came in terms of achievement and where they were benchmarked. I think that is a real concern. The Howard government will also continue our commitment to education through the development of 24 technical colleges around Australia. Australia has an incredible skills shortage and it is important that trade skills are valued in our community. I am really pleased that the Petrie and northern Brisbane area is going to be one of those areas where a college will be set up. It will be a real alternative to attending university.

The new technical colleges will offer both academic and vocational education for up to 7,200 students in years 11 and 12 while they are completing school. While each college will specialise in a particular trade, they will offer at least four trades in the fields of engineering, construction, electrical and commercial cookery. There is an increasing emphasis on re-skilling Australia’s work force. We really do need to be aware of providing those opportunities for young people in regions such as north Brisbane and the Redcliffe Peninsula.

In the area of health care, my constituents will benefit from an increase in the Medicare rebate to 100 per cent of the scheduled fee. This reduces the cost and encourages more doctors to bulk-bill while also offering people the opportunity to choose the doctor of their choice. Veterans will also benefit from Howard government policy. Older Australians who are receiving an aged care pension will receive a supplement of $100 a year for singles and $50 a year for each member of a couple. The Howard government will provide a payment of $200 a year for self-funded retirees, paid twice a year. There are many self-funded retirees in my electorate and I understand through talking to them that they are happy with this initiative. They have been recognised as important contributors to our economy.

Older people in Petrie will benefit from increases to the private health insurance rebate from 30 to 35 per cent for people aged from 65 to 69 and to 40 per cent for people aged older 70. This offers seniors the security of knowing they can access medical care by a doctor or medical specialist of their choice. A resident of a TriCare facility in my electorate told me that it was these policies which reassured her about being able to maintain her access to health care and not the opposition’s Medicare Gold policy that was being promoted at the time. Even a layperson can understand that Labor’s Medicare Gold policy was not sustainable in the long term. I am glad to see that the opposition have decided that they are not going to continue with that. Families and young people were also concerned about Medicare Gold because they saw that the package was going to lead to the neglect of the rest of the community.

Funding for all of these areas is something that this government has been very committed to, and I am absolutely delighted to be part of the team that has been re-elected. We will ensure that we strengthen the growth and the opportunities for economic and social participation by investing in policies that will bring forward all of those groups and their particular goals in life. The coalition government have delivered for the people of Petrie in ensuring more have access to things like the internet. Residents of areas such as Mango Hill, which has a growing population, have told me that internet access is so important to them.

I have worked very hard on behalf of my constituents, and I would like to thank them for their great support in returning me to the House. I am very proud to be here again and I will
continue to fight for their interests. I look forward to again being part of a government that is fulfilling our election promises and responding to the needs of the Australian community.

Mr GAVAN O’CONNOR (Corio) (11.20 a.m.)—The address-in-reply debate offers members of this House an important opportunity to acknowledge their constituencies and the people directly responsible for their election, and to set out in some detail the political agenda they intend to pursue in the forthcoming term of this parliament. To the majority of electors in the seat of Corio who preferred the policies of Labor that I put before them at the last election: my sincere thanks for extending to me once again the privilege and the honour of representing you in this parliament. I re-affirm the commitment I made to electors when I first entered the Australian parliament in 1993—that is, to work hard to represent your interests in this place, to professionally represent in the political process those people who voted for me and those who did not, to ensure that Geelong obtains its fair share of federal funds to meet the collective needs of all who live in the region, to promote the Geelong region and its economic and social development and to make my contribution to improving Australia’s standing in the community of nations.

My philosophy is a simple one when it comes to my constituency: nothing is too good for the sons and daughters of working people, whether they work on the factory floor or in the office, as the entrepreneurs in small business or as managers or workers in our great public enterprises. My energies and efforts in this term of the parliament will be committed to the advancement of the economic and social wellbeing of all electors in the seat of Corio and of people in the Geelong region.

My special thanks go to my campaign committee, ably led by Chris Couzens, for their organisational and moral support during the campaign, and also to the small army of Labor Party members and supporters who, on election day particularly, gave so generously of their time and their efforts to hold the seat of Corio for Labor and to return me to this place. You are the true believers. You are the ones prepared to sacrifice and contribute to the public promotion of great Labor values in our community. You are the ones who stand proud and tall against the narrowness of the conservative philosophy pursued by our political opponents in Geelong. You are the ones who never let your ego, ambition or the pursuit of political power override the interests of the Labor party and working people. And you are the ones who would never stoop to doing grubby political deeds with your political opponents to advance your own interests. I have been privileged to serve with you in the pursuit of great Labor ideals at the local level in Geelong, and it is my intention to continue to serve you and the Geelong community as a minister in a Beazley Labor government after the next election.

Since my election in 1993, I have vigorously pursued policies at the national level that in my judgment enhance the economic and social opportunities available to Geelong working people, regardless of the political party in power. My commitment is to do that over the life of the next parliament. Geelong is a major provincial city, and I will be lobbying hard in coming months to access federal government programs on behalf of Geelong community groups seeking federal assistance for the innovative programs they run. There are several elements of my own fifth-term agenda that I intend to vigorously pursue over the life of the next parliament, and I would welcome input and ideas from interested constituents on those elements. The first is local job creation and the promotion of regional economic activity, with particular regard to job creation for long-term unemployed youth and of course mature age workers.
The government may laud the current unemployment rate in Geelong as a great achievement, but we all know the deceptive tale that these statistics tell. An older worker who manages to secure one hour of paid work for the ABS survey period is deemed, for the purposes of the government’s statistics, to be employed. There is significant underemployment in my community, with many people working two or three casual jobs to try and put together an income to raise a family. The pursuit of policies that enhance the creation of full-time, secure jobs for young and old in Geelong and elsewhere will be my central goal.

Secondly, I intend to vigorously defend the industrial rights of Geelong workers and work to strengthen the protection for small business from the predatory practices of big business. My constituency is acutely aware that on 1 July the Howard government will take control of both houses of this parliament. Workers in Geelong should be under no illusions about the ideologically based agenda that hardline conservative elements within the government and its support base in big business will pursue in coming months. It will be an antiworker, antifamily agenda, and it will have to be resisted by whatever means that can be marshalled lest working people lose their industrial rights and their rights to a living wage and decent working conditions. Similarly, I intend to work for strong protection for small businesses from the predatory practices of big business. For too long, small entrepreneurial businesses have operated in highly competitive marketplaces without adequate protection under the law from unconscionable conduct by larger enterprises.

I have also set as one of my goals for this term of the parliament an attack on poverty in Geelong and the pursuit of appropriate support for the disadvantaged and needy in our community. A recent poverty by postcode report by the Jesuits identified unacceptably high levels of poverty in Geelong that must be addressed if we are to lay a real claim to being a decent place to live and raise a family. I encourage the Geelong community to take up this challenge. I note the moves that are already under way, through a meeting of the social justice committees of Geelong churches held last Sunday, to explore ways to meet that challenge. I commend the participants for putting poverty front and centre on the local political agenda and give my commitment to work with all groups to access programs and to secure federal funds to improve the opportunities for all families in Geelong.

Another goal I intend to pursue in this term is the promotion of key infrastructure development in the region to underpin long-term job creation. I have been fortunate enough in the past and more recently to have had a direct involvement in securing major infrastructure projects that now underpin the growth of the regional economy and make Geelong and the surf coast region one of the best lifestyle choices for families in Australia.

Finally, I intend to pursue policies and ideas that enhance Geelong’s environment and promote a tolerant and multicultural society. I have strongly advocated Australia signing the Kyoto protocol as a matter of critical importance to our long-term economic future as a nation. There is a need in Geelong to reorient its manufacturing base and to pursue opportunities in the creation of new green jobs and industries. The challenges we face to our traditional manufacturing base must be squarely faced, and our energies must be directed to the creation of new manufacturing opportunities in products and processes emanating from the concerns of the community for a clean environment.

Geelong is fortunate that it is a place where many people from around the globe have settled and made their home. Indeed, some 25 per cent of the Geelong population is from a non-
English-speaking background. We are intensely proud of our multicultural heritage. In a few weeks, as a community, we will celebrate that fact in the Pako Festa, an event that has become Australia’s premier multicultural festival and a very public expression of the ties that bind our diverse ethnic origins into one unified community.

The Geelong region has set some ambitious goals for future growth and already has in place a strategic plan to guide its development. I commend the partnership which has been struck between the Borough of Queenscliffe, the City of Greater Geelong, the Colac Otway Shire, the Golden Plains Shire and the Surf Coast Shire to establish and formulate the G21 strategic plan aimed at making the region Australia’s most desirable place for living, visiting and investing.

The G21 strategic plan is built around 10 pillars or themes: arts, culture and heritage; research; economic development; environment; community safety; telecommunications; transportation; sport and recreation; health and wellbeing; and lifelong learning. Each identifies objectives to be achieved and action plans and projects to achieve stated goals. The overall aim of the plan is to achieve sustainable economic and social development throughout the region. The plan is a model of cooperative effort between local governments and their communities and I intend to play my part as a local federal member in assisting the pillar groups in bringing individual projects to fruition.

I must say that it is pleasing to see local government bodies putting aside old rivalries to work together to enhance the wellbeing of the region. It is also interesting that cooperative partnerships have been struck across local, state and federal governments to deliver essential infrastructure projects to Geelong and surrounding areas. That is a desirable community outcome and a process I have encouraged in the past and will continue to encourage in the future.

Many of these projects require funding from various sources. I offer bipartisan cooperation to the member for Corangamite, Stewart McArthur, along with the normal party relationship I have with the member for Lalor, to achieve positive outcomes in these matters for the region.

There is one other matter I wish to touch upon in this address-in-reply debate, which relates to truth in government and the financial burden on Geelong families. It is the matter of interest rates and the economy. Like many households throughout Australia, many Geelong families are geared heavily with debt—either mortgage, credit card or both. Who can forget the Prime Minister’s scare campaign, during the election just passed, on interest rates and the subliminal message that interest rates would not rise under the coalition? Yet here we have the Reserve Bank priming us all for an interest rate rise, barely four months into the government’s term. The Prime Minister’s deception on this matter is frankly objectionable. He ran a scare campaign at the last election on keeping interest rates low, but when compared to other OECD economies Australian interest rates are quite high. For example, the cash rate in Australia is 5.25 per cent. In the United States the federal funds rate is 2.5 per cent and in Europe it is two per cent. Canada’s overnight cash rate is 2.5 per cent and in Japan the official discount rate is 0.1 per cent. The question needs to be asked why Australian borrowers—on the farm, in business and households—are paying so much more in higher interest rates than their counterparts in those competitor countries.

One factor is the necessity for high interest rates to offset the deficit on our current account, which is well over six per cent of GDP and rising. Failure of government policy in this area is now feeding directly into interest rate rises. With the government’s $66 billion spending spree...
to get itself re-elected yet to feed into the system, this impending interest rate rise is unlikely to be the last for 2005. A lack of fiscal discipline, massive foreign debt, massive levels of household debt and increasing inflationary pressures are ominous signs on an uncertain economic horizon for Australian and Geelong households.

The interest rate rise telegraphed by the Reserve Bank, if it occurs, will be all this Liberal government’s work. Heavily geared Australian households will have this Prime Minister and this Treasurer to blame for the financial burdens imposed upon them by any interest rate rises. There are many issues that, over coming months, we will have the opportunity to debate at length in this parliament. But several things have become obvious in the limited time the new parliament has been in session. This is an arrogant government and an arrogant Prime Minister. We witnessed this in question time yesterday when the Prime Minister of Australia refused to answer direct questions, put to him by the opposition, on a funding proposal from one of his regional programs that he supported before the last election.

This is a government that operates with low standards of ministerial responsibility. There are many people on the government’s front bench who should not be there because of conflicts of interest and low standards of conduct in office. This is a government that is prepared to plunder the public purse and rort it for its own political ends. Before the last election, some $100 million was spent in politically motivated advertising. In the lead-up to the election, key regional programs were abused by this government to ensure the re-election of its members to many of the seats they held, and to win new seats at that election.

This government is to have a majority in both houses after 1 July and I very much doubt it will govern in the national rather than a partisan interest. However, I intend to play my role ensuring that Geelong has a strong voice in this parliament and that the government is held accountable for the promises it has made and for the legislation and programs that it implements.

Miss Jackie Kell y (Lindsay) (11.37 a.m.)—It is a great delight to be making a contribution in this address-in-reply to the Governor-General’s speech. To listen to the member for Corio’s reply, I wonder if he heard the Governor-General’s comments that the government begins its fourth term mindful of its responsibility to use its mandate wisely, to further advance Australia’s prosperity and security, to govern in the interests of all Australians and to uphold those values that bind us together. The government is determined to fulfil the trust placed in it by the Australian people. It will do so by implementing a wide-ranging set of policy commitments, which, in turn, place trust in the commonsense and good judgment of the Australian people at the last election.

The key comments in the Governor-General’s speech, which were of particular relevance to my electorate, were as follows:

In this term, the government will boost training in areas of existing and looming skill shortages through an integrated package of measures designed to encourage more young people to take up trades. This will provide more pathways for students to enter traditional trades while in school, as well as improving the rewards for going into an apprenticeship and removing barriers that prevent people from beginning or continuing with an apprenticeship. No young Australian should feel less valued for choosing an apprenticeship over university.

To that end, my electorate, contrary to the views of the member for Corio, thoroughly embraces the government and its policies. We delivered in core areas for which the community
was concerned and we were duly re-elected for hard work, perseverance and trust with the Australian people. I would like to commend the Penrith Education and Training Services Network, PEATS, on their expression of interest to establish in Penrith that Western Sydney technical college referred to in the Governor-General’s speech.

In 2001-02, shortages in Penrith had become so acute that the local council and the Chamber of Commerce and businesses decided to take action. A federal grant was sought and the Penrith Education and Training Services network, PEATS, was established some 18 months ago. They were a group of local businesses in a variety of trades who commissioned and completed the Penrith Local Workforce Skills Audit Project in mid-2004, before the election. The audit identified automotive trades as a major shortage in our area as well as construction, electrical and engineering.

The establishment of a PEATS network was very timely, given that during the election we maintained our faith with the people and their concerns and undertook to establish technical colleges to direct more and more years 11 and 12 students into the trades and give them a basis to enter an apprenticeship with a greater chance of completing that trade. This fitted perfectly with the PEATS network’s concept of addressing skills shortages in the Penrith area. We have a large number of schools, a high percentage of children at school and a very low unemployment rate, so it is a perfect policy for our area.

There are several key businesses on the PEATS network, and they are very happy to form a board for the technical college. Each of these local Penrith business representatives would have a background in training apprentices and knows what leads to failure or success when young people take on apprenticeships. So this college would be directed by people who have dealt with apprentices, who have seen apprentices through to completion and who have seen apprentices leave the trade.

With more than 13,000 tradespeople in Lindsay, there is a very strong familial leaning towards the trades and trades completion. Children have strong parental support to enter a trade. Families have connections within trades. The ability to make a business successful is increased if you already have established business networks when moving from TAFE to start up your own business and employ people. Children have been brought up with small business backgrounds, so they understand the paperwork and the requirements of operating a successful small business. They are more likely to complete the trade, alleviating the skill shortages in our national areas of crisis.

Contrast this to areas where there is high unemployment, and where I do not believe there is that family support for children. These children do not have an understanding of what is required and they do not have the connections. Also, when kids are receiving a low wage which is virtually equivalent to an unemployment benefit, there is a disincentive for them to continue with the trade. Parents who are in the trades can see the long-term benefits, and push their children through the trades. We have certainly addressed the low wages. We now have a scheme where children who are doing a trade will be on at least the equivalent of what university students are on. Trades people from our area have traditionally serviced all of Sydney, so it is appropriate that the technical college be established in this area. Members would be surprised to learn how many mechanics in the eastern suburbs and North Shore live in my area and commute. There is a lot of commitment from the community in this area, and I do not think you could find a better place than Penrith for a technical college.
I would like to take this opportunity to thank Lyn Bain, the University of Western Sydney’s program head for its Bachelor of Business and Commerce, for the tremendous amount of work she has done in putting together our expression of interest on behalf of the Penrith stakeholders. She has been ably assisted by our Penrith council officers Bijai Kumar, and Arabella Perugini-Sheere. My sincere thanks to all of you. I do hope our hard work pays off.

Another issue that affects people in Western Sydney concerns an area that is virtually unrepresented, where we saw the disastrous reign of the previous Leader of the Opposition, who sought to run the coffers of the country when he could not run the coffers of the Liberal council. That council is now in administration. There are now no elected representatives on the council for people in that area to appeal to. There is currently no federal member in that area for them to appeal to. The state member, Craig Knowles, is so involved in various planning decisions and has such a major conflict of interest on anything governing council or state planning issues that he does not deign to be involved in any of it.

The residents from the area have approached me regarding the absolute stalemate they have come up with regarding Liverpool council and the New South Wales state government over a rail leg into the Liverpool council area, ostensibly to service a 90,000-house Bringelly development but really just to be a rail parking lot. The residents are very concerned about this. Their council has approved DAs. The first thing that the residents knew about a rail leg was after their DAs were approved. The council approved a $220,000 extension to a home and in the very next breath announced that a rail line was going to go straight through the house. The residents of the area are not very impressed at all with the planning. They have got together; they have coordinated. They have come up with an alternative route that goes through undeveloped land. I understand that the state government wishes to put a huge number of houses on that undeveloped land, but at this stage there are no residents that will be affected. The government can put the rail link through elsewhere. But the residents have had no success. Craig Knowles will not even meet them or consider an alternative proposal to the one his bureaucrats are putting forward which radically affects several homes in the Denham Court, Camden Valley Way, Glenfield Road and Campbelltown Road areas. One resident I spoke to is very concerned. She bought a house 13 years ago. At that time, there was no plan for a railway through her community. One of her neighbours had recently put plans into council, so she thought that was okay. Now she finds that her land is about to be resumed. As you can imagine, they are quite devastated by that news. Residents received a letter from Liverpool council stating:

Council has been advised that should the public transport corridor be developed it would extend westward through certain properties in Denham Court. However Council has not been given liberty to publicly exhibit the full extent of the public transport corridor.

Here are people who cannot deal in their land, who cannot go forward with DAs that have been approved, who cannot sell, who cannot exit—and the council is not at liberty to publicly exhibit the full extent of that corridor! Craig Knowles is the minister responsible for planning. Why on earth wouldn’t he be giving his own department the authority to inform his own constituents about matters that affect their homes and their lifestyles.

There is sometimes a need for a public transport route, and often the needs of the many will outweigh those of the few. But let us not forget that this state government failed to build the connection from Epping to Parramatta. On that rail route there are an enormous number of
residences. The route is clearly marked. There are not the same issues. Yet the government walked away from that rail link saying that it was not viable. How on earth is this rail leg into the middle of nowhere—less populated than the Richmond line—going to be sustainable? It is not really a laughing matter, but the farcical nature of it means that you get to a frustration level where you think on one hand the government walks away from the Bondi rail link and walks away from heavily populated areas that are in need of light rail and yet on the other hand it goes out into the middle of Woop Woop and absolutely and totally upsets a number of residents on a never-never plan to put a rail line through. People would be very much better served if the government looked at connecting Campbelltown and Penrith with a serious rail link. There would be some public benefit to that, some future consistency and some movement of people around Sydney, unlike this little dogleg out from Liverpool into this supposed development of 90,000 homes for which the government does not even have a state schooling plan. It does not even have a new hospital plan. It has no infrastructure plan. It has just said, ‘Look, we will allow a subdivision to go ahead. You can put 90,000 homes in there.’ It has said, ‘Oh, look, here is a dogleg of a rail link in there.’ That may or may not get built but the government cannot even find Epping to Parramatta to be a viable rail link. Obviously I have passed this matter on to my state colleagues. I am hoping that they will investigate it and give the residents of Liverpool better representation than they are currently getting.

I would also like to announce that my own electorate of Lindsay will be receiving $184,000 under the national black spot program in the next financial year. That is something the Governor-General made reference to in terms of the good governance and policies that the people did support. That program has certainly saved lives in the Penrith area. One of the worst accident spots at the corner of the Great Western Highway and High Street now has traffic lights. That was previously a very dangerous intersection and it has been fixed up under black spot program. This year the construction of a raised seagull island at the intersection of York and Abel streets is to be funded for $11,000. There is also funding of $12,000 to construct a concrete median island with priority stop signs and parking restrictions at the intersection of Stafford and Collis streets. There is also $11,000 for a raised seagull island with stop signs and restricted parking, as well as a single lane roundabout, at the intersection of High Street and Doonmore Street. I know that those works will be welcomed by the people of Penrith. They will certainly make our navigation of the area easier and will decrease the number of accidents in the Penrith area.

One of the projects I have been working on that is very close to my heart is the Western Sydney science centre. Last night I joined my Western Sydney colleagues Louise Markus, Pat Farmer and Kerry Bartlett to meet stakeholders in that project—the Childrens Discovery Museum, the University of Western Sydney, the Department of Education, Science and Training, CSIRO and Questacon. That project is about building a Questacon—or what we call a ‘Westacon’, in Western Sydney. We have identified an ideal site for the museum at the intersection of the M4 and the M7 on state government land. Currently the site is being used by the RTA but when the M7 is completed they will no longer need the building. The site is adjacent to the Western Sydney Regional Park, which is a major area of green space that Bob Carr has indicated will be left as the lungs for Western Sydney and will not be developed—thank goodness! I believe that such a Westacon would be a suitable gateway into that parkland. One-third of all children and youth in New South Wales live in Western Sydney. In fact 25 per cent of our nation’s children live in Sydney. I think if we really want our children to reconnect with
science, we need to have a look at innovative ways of making science as attractive as Discovery Channel and as exciting as music and drama. We have to really reinvigorate things.

The government’s *Mapping Australian science and innovation* report tracked year 12 enrolments in physical science and other sciences from 1991 to 2000. That report says:

Looking at a longer trend period, there has been a distinct downward trend in the percentage of Year 12 students enrolling in physics, biology and chemistry since 1976 (Figure 18). Biology has shown a steady decline, falling to 25% in 2002 from a high of approximately 58% in 1977. Chemistry and physics enrolments peaked in 1980 at 33% and 29% respectively, but have since been in decline, dropping in 2002 to 17% in chemistry and 16% in physics.

The report continues:

Participation in S&T subjects has also declined recently at the undergraduate level in university, where total award course completions in these fields of study grew strongly in the first half of the 1990s, peaking in 1995 at 36,127 before dropping to 33,818 in 2000. Over the latter part of the 1990s and up to 2000 there were declines in undergraduate awards in areas including mathematics, health sciences and technologies, engineering, general science, and physical sciences ...

So we are seeing a decline in the number of children studying science at school and hence at universities, where they are not taking up sciences. In fact in mathematics we are in a real crisis in terms of a shortage of maths teachers to even train children in the discipline as they come through.

If we want our children to re-engage with science, we do have to make it look like the Discovery Channel in schools. We have to make kids have a Questacon experience in every science class. We can do that through the Western Sydney science centre. We can help to nurture and encourage our children to pursue further education and to be inspired by the possibilities and excitement of new technology and discoveries in science. Parents, teachers and school-children in Sydney looking for a scientific experience currently have to travel to the Powerhouse Museum, to Canberra or to the Australian Museum. For those of us in Western Sydney, it is a severe deterrent.

The Sydney science centre or technology park concept—or ‘Westacon’—is designed to create a centre of excellence in the promotion of science and technology to schoolchildren. It will be a hands-on centre with activities to teach children about many scientific principles in a fun and easy-to-use format. The content will be matched to the science curriculum taught in schools from kindergarten to year 12. HSC students will also be able to use advanced laboratories for their studies, with links to universities and TAFE and after-school clubs in science subjects. The use of computers, the latest technology and the internet will be a feature of the centre. Topic areas might include the earth and planetary sciences; astronomy and space; physical science and nanotechnology; biology, genetics and medicine; biotechnology and agricultural sciences; and science and technology in culture.

The centre will also host travelling international exhibits and act as a conference centre for visiting scientists and academics. It will become an icon in the Western Sydney area, attracting tourism and other business, similar to the Adler museum in Chicago or the Ontario Science Centre in Canada. Australia is well known for its contributions to the scientific world, including numerous breakthroughs in a variety of fields. The science centre will build on these intellectual traditions and become a world-class academic hub for the training of stu-
dents and teachers alike. Architecturally, the centre will be distinctive and ultramodern in its design and layout.

In the initial stages, the children’s discovery museum proposes a collaborative institution with a children’s museum as the initial operating module. This stage would establish the principal operating venue, together with the facility management framework, able to expand as the facility is developed. The serviced group of this stage will be children from three to 11 years old. The second stage would be the extension of the facility, with increased applied science content, extending the age of the serviced interest groups. Provided that the children’s discovery museum stage is demonstrated to be financially viable, this model will allow a natural development of the expanded facility to the second stage. Our next step at this point is to get the support of the state government for the science centre. I will be working with my federal colleagues to meet with the relevant state ministers to begin securing the future of science in Sydney. *(Time expired)*

Mr GRIFFIN (Bruce) (11.57 a.m.)—I would like to take this opportunity, in speaking on the address-in-reply, to focus for a little while on some of the community groups in my electorate of Bruce. Particularly, I would like to look at them as examples of what has become modern multicultural Australia—looking at some of the positives that have come out of that and at some of the things that governments have done which have actually worked—and also to celebrate the migrant experience and what it has been like to be part of that, certainly in the context of Melbourne.

The first group I would like to discuss is the Stella Clavisque Club, which relates to the Mauritian community. Back in 2003, I was very happy to be a guest at that club’s 35th anniversary celebrations. I had also had some dealings with the club in the past regarding a request that they made to get funding for a petanque pitch for the use of their members. They produced a booklet about that celebration of 35 years. When you go to the detail, it gives an interesting insight into the experience of migrants who came from Mauritius and also I think the experience of migrants in general, in terms of the circumstances they face when they come to the country. I will read from that booklet:

They came in the 60’s in ever increasing numbers. Whereas in the past, Mauritians had migrated mainly to South Africa, the death throes of apartheid and the end of the White Australia Policy had aroused interest in this vast and mostly empty continent.

Wars, famine and natural disasters have always created mass movements of populations and changed the racial and cultural structure of nations, the most significant being the Great Atlantic Migration in the 19th century, which formed the USA.

Mauritian migration, however, was different in that it was part of the voluntary movement of individuals who, since the end of World War II, had been leaving developing for industrialized countries. Furthermore, unlike the nationals of many European countries whose passage to Australia was heavily subsidised by the Australian government, Mauritians came here at their own expense. Although independence was looming, its concomitants a dim unknown, most did not flee out of panic but were looking for better conditions of life and better prospects for themselves and mainly for their children, as overpopulation and an economy that relied almost exclusively on the sugar industry were matters of serious concern.

This move was not made without trepidation. Hopes and dreams mingled with misgivings. There was doubt and vacillation, as most were torn between, on the one hand, the appeal of more readily available jobs, improved economic, educational and health conditions and on the other, the casual, in-
souciant lifestyle, the close-knit family bonds, the friends they were leaving behind, and the magic of a warm and sun-drenched land and of the lagoons where at noon the sun seems to shine “like boiling gold on ocean”.

In the intensity of conflicting emotions many chose to stay. The following is a tribute to some of those who decided to go for it and join “the weird mob”. Not for one moment, however, did their memories fail them of the days of old among those they left behind in their island in the sun.

… … … …

Responding to numerous appeals from immigrants, floundering as they tried to cope with their new circumstances, two Mauritians accepted the challenge: Jean Commins, whose brainchild the SCC was, and Karl Bozelle, who nurtured the newborn and fostered it to full growth. Karl appealed to a small group of Mauritians to join them in their endeavour.

That was in August 1968. I will continue to read from the booklet:

The original aims and objectives of the club were to help Mauritian migrants settle and integrate. It came across varying degrees of helplessness. In some cases hopes and dreams had given way to despondency and despair. Many were pining for the past. In those early days a dedicated few served the club well. Many made house calls, trying to restore morale by giving families practical assistance and advice on how to look for a job, obtain financial support or medical care, furnish their apartments, make new friends or meet old ones; arranging cheap travel for them and providing them with low cost entertainment.

The club realized almost from the outset, that to keep up its members’ spirits, it was essential to provide them with the opportunity of excursion trips back home at the cheapest rates possible. It investigated the feasibility of group flights, explored the merits or otherwise of joining a federation of Mauritian clubs, ran into trouble at times through the malpractices of people it dealt with, had a large measure of success, hailed the first chartered flight in 1972, and was eventually in 1977, by a Mauritian Government project, relieved of the burden of organizing these flights.

Later on after 1976, after the days of mass immigration, when new arrivals could easily obtain better advice and help from settled relatives and friends, the club’s objectives were reassessed and adjusted towards social and cultural activities to meet the changed demands of its members and to offer a balance between functions for the younger and the older generations.

The club’s success in those early days, and indeed its survival, was entirely due to the tireless devotion of a few, who never allowed themselves to be disheartened not only by poor attendance at general assemblies but also by lack of interest and support at functions and outings. Some of them were forced to serve on the committee year after year and one or two of these years they could be forgiven to think of as ‘anni horribiles’. The only indulgence they allowed themselves was using the newsletter to in turn express their concern, appeal, complain, deplore and occasionally express their despondency at the apathy of those they were serving, in many cases just the apathy of fatigue.

These tireless few set about organizing socials and outings as opportunities for members and their friends to meet, enjoy themselves and boost one another’s morale.

Starting with three or four of these social occasions: a mid-year dance, a children’s Christmas party and a New Year’s Eve ball, they later added disco nights, Mauritian nights with Mauritian music and food, Bastille Day balls, youth nights, dominoes tournaments, old time dancing, talent nights, games and sports days, petanque competitions, seniors nights with free dinners and BYO get togethers.

Some planned functions had to be dropped through lack of interest, others were only moderately successful, some parties were overbooked, caterers were not always up to standard and some venues inadequate, hardly providing the best of settings for the club’s balls and dances. However many will have kept fond memories of the club’s end of the year functions at Alan Mclean Hall in Mordialloc.
The SCC also held joint functions with the French Club of Victoria, at Club Suisse, Caulfield Centenary Hall and East Burwood Hall, which many enjoyed.

Many, indeed most of the socials, were well attended, specially as the organisers kept trying to stimulate interest by engaging a Mauritian or a South American band, or professional ballet dancers or singers, by offering prizes for the best costumes at fancy dress balls, or by programming a fancy hats night or a fashion parade presented by a Paris fashion designer or a winter festival as an opportunity to advertise Mauritian talents.

The 20th Anniversary Ball of 1989, the April 1993 Silver Jubilee Ball, which was attended by all those to whom the SCC owes a debt of gratitude in recognition of their devoted service, and particularly the 30th Anniversary Ball were outstanding successes.

For the younger generation the club set up special sport committees to promote sports and games for boys and girls alike: soccer, volleyball, badminton, basketball, and ping-pong. The opportunity that offered itself in later years to use the Lois Twohig Reserve gave an enormous fillip to these activities.

... ... ...

The club’s Newsletter early on became an invaluable source of information about available help. It advertised organisations like the Community Aid and Advice Bureau, the Red Cross Industrial Services, Telecross, a booklet of people’s rights, decisions of the Immigration Ministry, invitations to the presidents of Mauritian clubs to meet the Mauritian consul, Ethnic Radio and the offer of a spacious room once a month at the Endeavour Hills Leisure Centre.

In this way club members obtained a profusion of information on a wide variety of concerns and subjects of interest: baby-sitting and child minding facilities; migrant welfare; free legal service; what to do in cases of e.g. drowning, heart attacks or gas asphyxiation; how to improve their English; the benefits of citizenship; their political, legal, accident and compensation rights; sponsoring prospective migrants; French films, TV, songs of yesterday and today; help with housing; health education; income support; service provided to and funding of ethnic organizations; first aid training; a safer workplace and a helpline for isolated people; as well as news from Mauritius and France.

... ... ...

The Stella Clavisque Club never courted celebrity and prominence among Mauritians in Victoria or Australia. It is proud of having spawned other clubs formed by groups that placed their emphasis elsewhere. It found a sense of fulfilment in helping needy individuals and groups. Perhaps the best known and the most deserving of such organizations is SACIM, the Society for Aid to Children Inoperable in Mauritius. These children had to be met at the airport and driven to the hospitals where they would receive treatment. Fundraising became even more important in 1994 when the Royal Children Hospital began charging for open-heart surgery, and required extra efforts.

The SCC over the years contributed to a wide variety of deserving causes: Caritas Mauritius; the Peter Crimmins Research Fund; the Springvale Aid and Advice Bureau; parishes and craft schools in need in Mauritius—
—et cetera.

For its members and their friends the ... Club was a bridge between their new country and the old. It was a lifeline.

Early on the President visited the SCC of Mauritius and established links between the two clubs. The SCC of Melbourne joined the Federation of Mauritian Associations in Australia and Mauritius, and Karl Bozelle became the president of the federation for 1974-75.

As you can see from the details that I have outlined here, the club shows much of what can be done by migrants in establishing themselves in a new country and some of the problems that
are faced by migrants in those circumstances. Again I quote from Roland Florent from the club:

Thanks to the vital role of organizations like the Stella Clavisque Club the Mauritian community is a significant ‘bit player’ in yet another successful experiment in multicultural mix that is Australia.

Another local organisation I would like to refer to is the Association of Ukrainians in Victoria and their Noble Park branch. The Ukrainian experience was somewhat different than that of the Mauritians. The first Ukrainian settlers in Noble Park and district were migrants who in 1949 arrived from Bonegilla, the post-war migrant reception camp for displaced persons. Bonegilla is in northern Victoria on the border with New South Wales. This was a staging camp with temporary accommodation for new migrants who came to Australia under the Commonwealth’s post-war migration scheme. They had exchanged free or assisted passage to Australia for two years of labour of the Australian government’s choice. After completing a two-year work contract working on hydroelectric and dam projects, as well as laying water pipes for the state’s rivers commission, many settled in the Noble Park area.

In May of 1962 at a meeting of actively community minded participants the Noble Park branch of the Association of Ukrainians in Victoria was founded. At the time the two main settlements of Ukrainians in Noble Park were in the vicinity of Chandler Road and Knox Street. In 1963 the association purchased a half-acre block at 26 Chandler Road for the sum of £2,156—not a price that you could pay for land in that area or, for that matter, pretty much anywhere else these days.

At that time the activities of the association revolved a lot around fundraising initiatives. These included Christmas carolling and charity queen contests where girls, usually senior students, sold tickets—or bricks in this case—to compete for the title of Queen of the Ukrainian New Year’s Eve Ball. Small short-term loans were sought from Ukrainian organisations and private individuals. Going forward to August 1975, there was a recorded total of 16,226 voluntary work hours by 86 men, 12 women and 36 youths residing in Noble Park, Dandenong, Springvale and Clayton.

By 1978, the association was privileged by the welcome visit of Nadia Svitlychna, a renowned defender of human and national rights under the Soviet regime in the Ukraine, and by Mykola Plaviuk, President of the World Congress of Free Ukrainians, an umbrella organisation of Ukrainians from the diaspora. In the same year, negotiations with a necropolis at Springvale allowed for the provision of an additional 400 spaces in an area for Ukrainians. In 1989, this was extended by another 200 spaces. This was very important for the community as memory of, and links with, ancestors are an important part of Ukrainian culture. Just after Easter every year Ukrainians participate in prayer services held at the graves for the repose of the souls of the departed.

One of the major activities commenced early on by the Ukrainian association was the development of a school. The school continued to grow, with an enrolment of some 80 students, more classrooms and the facilities for a youth club when needed. Active planning for an extension at the back of the hall was begun in 1978 and in the winter of 1980 the job of pouring foundations commenced. Most work on the extension, as on the original building of the community centre, was done by Mr Slipeckyj. One of the most tireless and consistent workers to assist him was Mr Anton Opar, who continues his dedicated work to this day. The extension was built with the help of the entire executive, males and females, students and teachers of the
school and other members of the association. The lower section of the extension was completed in 1982 and was used by the school in the following year.

A census of Ukrainian families in the area was carried out and data on 331 families was collected. Hopes for a Ukrainian retirement village near the community centre failed to materialise due to a lack of finances to purchase adjoining land and an insufficient number of people prepared to invest in the project. As the clubroom reached completion, Eugene Stefyn, who was responsible for youth development, ran a youth club. Thanks to donations from a number of young people at the time, the club purchased a large billiard table as well as equipment for table tennis, badminton and chess. Special equipment was purchased and installed in the main hall to allow poles and nets to be set up quickly and allow playing of indoor tennis and badminton.

The running of the club has continued under the capable supervision of Steve Opar and Zenjo Figurek. Commencing in 1981, and to the current day, the association holds a traditional evening called Schedryj Vechir, which is a celebration of the 12th day of the Christmas season—that is, the eve of epiphany. On this night, particular carols, which include expressions of wishes for health and prosperity, are sung. Some of the traditions are discussed and a traditional Ukrainian epiphany eve supper is consumed. In keeping with the festive season and thinking of others, donations are welcomed to support worthy causes. The dance committee continues to organise dances, barbecues and other fundraising activities, such as the Malanka, which is the Ukrainian new year. The catering committee works tirelessly at these and numerous other times. The association also had a welfare committee that visited infirm or elderly members of the association.

The Association of Ukrainians in Noble Park is a branch of the Association of Ukrainians in Victoria and has always worked closely with the central body. It attends meetings of representatives of all the branches and together they work out strategies for the good of the Ukrainian community. The association has always tried to maintain links with federal, state and municipal bodies. For many years from the sixties to the eighties, members of the association and school students regularly assisted in collections for the Red Cross and the Lord Mayor’s Appeal. Later, they also took part in Clean Up Australia Day. Members of the executive have continued to represent the association and the Ukrainian community as a whole at meetings, seminars and a wide variety of functions. Over the years, members of the Ukrainian community took part in Australia Day celebrations, Governor-General and medal receptions, captive nation events, festivals and suchlike. At times they had to straighten out the facts when issues dealing with the Ukraine and Ukrainians were misrepresented in the media.

Since 1986, the association has had an ongoing commitment to senior citizens—it was at that time that the elderly people’s club was officially founded. It has also been involved in other events, such as on 31 May 1986, when the association arranged for a bus to transport 40 members to Canberra to protest the then Soviet Union’s cover-up and incompetent handling of the nuclear disaster at the Chernobyl nuclear reactor, and its refusal to allow medical aid to be sent to the victims. In 1987, the association took part in the Springvale Multicultural Festival. Groups from the association and school took part in food stalls, instrumental music, dancing performances and cultural displays.

In the same year, a group of Ukrainians from the association was invited to give a presentation to the Rotary Club in Carrum Downs. Mrs O Stefyn presented an historical perspective of
the Ukraine. The Ukrainian Dance Ensemble ‘Dorishka’, under the direction of Mrs Isaleskie, performed, as did the Bandura Ensemble of Mrs I Zalesky. There were also displays of Ukrainian arts and crafts and students’ award-winning projects on the Ukraine.

The two examples I have used today from the Ukrainian community and the Mauritian community represent the sort of work these communities have done in their local areas to build their role and play their part in modern multicultural Australia. They show some of the great positives that have come from the sort of work that historically has been bipartisan—if not so much in more recent times. These communities, when they come here, face challenges in settling into a new society. Many people in these communities, facing the trials and tribulations of trying to build a new world for themselves and for their communities, have embraced those challenges. Others have not, unfortunately. But together people have worked and done good things in the communities they have become part of and on behalf of their own groups. They have become part of the network and fabric of society and have worked hard to build a better Australia. They have every reason to be proud of the work they have done.

There are many other communities in my electorate with groups about which you could say the same things. I am very proud of the great range of countries that people in my community have come from before making Australia their home. The work they have done is not celebrated enough in this parliament or in the broader community. For those who look to the positives in our society, so much is being done in local communities in a way which brings credit to the people involved and helps build those communities as strong parts of a modern multicultural Australia, that they have every reason to be proud. Certainly we can be proud of what the Mauritian community and the Ukrainian community have done. We can also look at the Cambodian community, the Sri Lankan community, the Vietnamese community and the Russian community. So many communities have built Australia as we know it today. I note in this address-in-reply debate what a great job they have done.

Mr CAMERON THOMPSON (Blair) (12.18 p.m.)—I am pleased to be able to participate in the address-in-reply debate. I would like to take the opportunity to reflect on the election campaign as it unfolded in Blair and the issues that were canvassed and that now set the framework for the three-year term of this government. The election in the seat of Blair was very tough. It was a hard-fought campaign, not the least because the issues that were most strong there, the issues that were absolutely on the front page of everything, were the big, strong local issues. They are issues on which I have made a major contribution, some would say; I have taken a strong position. So they made for torrid debate and close analysis of what was going on in the electorate. I think the outcomes of the election need to be carefully scrutinised and recognised by people as an important pointer to the views of the people of Blair about those important issues. They have had their say very directly in setting out the framework for how I intend to proceed and how the government needs to proceed—how everyone concerned about those issues needs to proceed.

I would like to open by thanking all my campaign workers. The electorate of Blair covers 15,000 square kilometres. It is a very diverse area ranging from Kingaroy and the rural areas surrounding it in the north, to Crows Nest immediately north of Toowoomba, to Gatton and Laidley shires in the Lockyer Valley and to the area of Kilcoy and the Kilcoy shire, which includes a lot of forestry areas. To complete the picture, you have definitely got to include the large urban area of the city of Ipswich and the surrounding Ipswich rural area. That is a very

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diverse region to cover. To build regional support teams and support networks in each of those areas is, as many members in this place would know—certainly the member for Grey, Mr Wakelin, would know this—a very important job. It is a very challenging task to try and keep in touch with them, keep them happening and to keep them moving forward. The core to all that is that in each of those regions people need to see that you are focusing on those regional issues, that they have got the opportunity to give you feedback and that, by campaigning effectively with you, they are going to make a difference to those regions. I am very proud to say that in all of those areas—during the last term, during the heat of the election campaign and now going forward—we have got a very clear picture about where we need to be going in the electorate of Blair.

We have got a road map for the future of Blair that is clear. The value that my campaign workers have found in working with me is that they have helped to create that map; they have helped to create a sense of direction and a sense of purpose. This is not only in a corporate sense. In each of those little areas, those individual communities and those individual districts, they have got to focus on where they are going. They know that by working together effectively—by campaigning and by being part of the solution and not part of the problem—they are really making a big contribution, and I thank them for that. I thank all those members of the Liberal Party and the National Party who worked very hard to support us in many of those areas. We have a very strong coalition culture in our area; we work very effectively together. We focus on local issues, we seek solutions and we work together to find an outcome, so they are very much a part of that too. I have also had very good cooperation with each of the local councils and with the state members in my area, so it has worked very well. As I said, it was a very tough campaign. Thanks to my campaign workers and to my family—I will say some more words about them at the end; they have contributed far more than anyone to this whole exercise.

I would also like to congratulate the other candidates who participated in the seat of Blair. I would particularly like to congratulate my main rival, Labor candidate Shayne Neumann, who worked very hard. He is entitled to feel disappointed with the result given the effort that he put in, but it is a tough contest. Everyone who puts their hands up for politics has to be prepared to go that extra yard and keep going it every day—not just of the campaign but of their life basically. If you are not doing that in this day and age, you are not doing your job. You have to go further than everyone else, work harder than everyone else. That is how politics, in the end, will reward the contribution that you make.

When I speak about those tough issues across the electorate of Blair, I should say that the biggest one by far is the Ipswich Motorway. I am very proud of the contribution I have made to that debate and to finding a solution that does not squib the issue or try to sell the voters of the Ipswich area a pup, which is something that we had in spades from the state government. You cannot dress up a sow’s ear as a silk purse. Unfortunately, that is what we have had for years now from the state government in relation to the Ipswich Motorway, and the steps that need to be taken in relation to it must be bold ones. I have gone right out on a limb making sure that those steps are bold. No-one should be in any doubt that the steps required to provide a solution to the Ipswich Motorway issue are not incremental; they are large, bold and necessary. If we do not provide a massive increase in the traffic-carrying capacity between Ipswich.
and Brisbane then we will cause our area a great disservice. The biggest issue by far is the Ipswich Motorway.

The next issue is water to the Lockyer Valley. Ever since I was elected—and before that—recycled water to the Lockyer Valley has been an issue on the lips of everyone in the area. I have been fighting very hard to get a project together which is really much wider than just the Lockyer, although that is where my heart lies and we must find a solution there. In terms of south-east Queensland, we must consider that the conurbation of Brisbane, the Gold Coast, Ipswich and the north coast is growing at such a massive rate that it is going to overtake the population of Melbourne in the very near future.

The area is continuing to boom at a great rate, and the amount of water it consumes is growing exponentially. We can try to reuse water in the city but we are not going to stop that great rate of growth and of consumption. We need to consider recycling, and we need a vision so that every drop of water from Brisbane is recycled. All the water should be recycled. There should be a strategy that allows all that water to find its way back onto the land to provide a good outcome for farming communities like those in the Lockyer. At no time in the future should we return to the bad old ways that currently apply where we just pump that water into Moreton Bay, which creates nutrient loads and puts that environment under strain. What are we doing and what are we thinking when we have a strategy like that?

There are opportunities and proposals like the NuWater scheme that would make that water available. That water could be delivered to the Murray-Darling river system and so provide real opportunities for communities throughout the Murray-Darling system area. At the moment, the major issue in that regard is to bring the parties together to create a sense of unanimity as to direction. That has taken a big step forward in recent times. I congratulate members of the Lockyer Water Users Forum on their willingness to become involved in that, and I also congratulate the people from NuWater. We have to bring them together. They have to be singing from the same hymn sheet, and we will go forward.

There has been a lot of discussion federally about the Regional Partnerships program. Elsewhere in the electorate of Blair, that program has provided a hydrotherapy pool for the town of Nanango. That was a very good decision. It presents an opportunity to start tapping into the local focus on aged care and to provide the aged care facilities with the ability to engage in hydrotherapy. Just because you live in Nanango is no reason for you to be cut off from such therapies. Once again, the Regional Partnerships program has provided a means for us to provide such facilities.

That shows the diversity of issues that arose during the election campaign. However, inevitably, I want to focus once again on the Ipswich Motorway. As I said, I took a very strong stand. I said that the idea that we should spend, as proposed by the state government, 7½ years digging up the only road between Brisbane and Ipswich in order to create a road which basically would not be able to cater for the traffic that would be using it when it is finished, is just insane. I have taken a very strong stance that we need a second road, and that appears to be coming together very effectively. It is certainly coming together in the minds of Blair voters and others who use that road. I want to run over the results from some of the booths that would have been most affected by the plans in relation to the Ipswich Motorway. The primary Liberal Party swing in the booth of Ipswich was 13.89 per cent, a swing against the Labor Party of 8.24 per cent. In West Ipswich it was 15.47 per cent to us and minus 4.99 per cent to
the Labor Party. In Flinders View it was 10.32 per cent to us and minus 1.52 per cent to Labor. In Raceview it was 11.94 per cent to the Liberal Party and a loss of 2.91 per cent to the Labor Party. It was 9.98 per cent to the Liberal Party in St Joseph’s and a loss of 0.77 per cent to Labor. In Tivoli it was 11.2 per cent to the Liberal Party and 0.53 away from the Labor Party. In Eastern Heights it was 10.4 per cent to the Liberal Party and 4.73 per cent away from the Labor Party.

That shows that in that area of Ipswich, where the one thing that is on everyone’s lips is the Ipswich Motorway, there was a message from the people: they were not happy with the state government scheme to dig up the only existing road, the road that they have to commute on every day, for 7½ years. The state government were running around and saying, ‘No, we can do it in a shorter time; we can do it in five years.’ Unfortunately for them, the jointly endorsed state and Commonwealth report into that proposal said that it was not physically possible to do it in fewer than 7½ years. That, I am sorry to say, was the sentence facing the motorists of the Ipswich Motorway under the proposal being hawked about the place by the Labor Party—hawked about in ways that were quite dishonest. I will get to some of those later on.

I want to say a few things about the proposal to create a second corridor. Here are a few of the advantages that we would get out of that. I have already noted many times that we could complete it in probably half the time, because it would be on a greenfield site. Disruption to traffic would be minimised because we would not be digging up the road that they are driving on, to the extent that was proposed by the state government. The separation of the heavy trucks onto the new road and the commuters, the shoppers and the people of Ipswich onto the existing Ipswich Motorway—separating those two streams of traffic—is obviously a huge advantage. Creating a total of at least eight lanes, with four on the new road and four on the old road, clearly gives a much greater capacity than the six lanes proposed by the state. The fact that it would be available in a much shorter time makes the whole thing a lot more doable. From that point on, it is possible that you could expand the northern corridor to carry even more traffic, and you could do it with much less disruption because, once again, you would not be tampering with the only road that people have to drive on.

There are some other points I would like to make. One of the things that people should consider is that this proposal would open up the Redbank peninsula for industrial development; the Ipswich City Council estimates that there would be 10,000 jobs available through that. That is an important step forward for our region. Through the proposal put forward by the Commonwealth we would facilitate that, whereas the state would not do so with their six-lane proposal. That should be uppermost in the minds of the people of Ipswich. Sure, we have plenty of new homes going up, but we need jobs for those people. We need jobs in our town, not jobs in Brisbane, and that is what the Commonwealth would provide through their proposal.

Also, it would create a new entry. If you were travelling between Brisbane and Ipswich, it would be a wonderful new entry into Ipswich. If you were travelling from Ipswich into Brisbane, it would be a wonderful new entry into Brisbane, too. Perhaps I should also note that, if you were travelling on the national highways from Sydney, Melbourne and Darwin, this would be the new gateway to the capital city of Queensland. The existing motorway looks akin to a sewer, and I do not think you could in any way dress it up to be an appetising prospect, no matter what you did to it—particularly if you were going to spend eight years digging...
it up and transforming it from one end to the other, only to start at the other end, I presume, when you found that six lanes were not enough. That is a bad outlook for eight years.

The prospect of a whole new road, with proper landscaping and all those sorts of things, on a greenfield site is so much an advantage that it is a significant thing. In particular, the bridge on the eastern end of the northern corridor should be a quality construction, because it would be that gateway. It would be the new gateway, the new entry to our capital city; and also, when you arrive in Ipswich from Brisbane, it would be a new entry to our great city as well. I think that is something that should be very much in the minds of people. Why should we, in the minds of travellers coming from Brisbane, merely be an extension of Wacol? That is a bad look for our town—not Wacol; it creates plenty of jobs. A whole new entry to our city which has real traffic-carrying capacity, as well as some good aesthetics, would go down very well and would create a real advantage for our local community.

The Ipswich Motorway was opened by David Hammill, the former member for Ipswich, and Laurie Brereton, from the Keating government, in 1994. The motorway has been dysfunctional from the start. Importantly—and people should recognise this—the road was not designed for speeds of 100 kilometres an hour. The fact that it has been carrying traffic at 100 kilometres an hour is a disgrace. It is no wonder we have had traffic difficulties. The traffic numbers on that road have reached, on average, 100,000 on weekdays and 105,000 on Fridays. That has the effect of traffic from a six-lane road travelling on a four-lane road, and it is travelling down a section that was not designed for speeds of 100 kilometres an hour. Fortunately the state government has relented and has dropped that speed limit to 90 kilometres an hour, but there hangs a tale as well.

I mentioned how torrid and difficult the election campaign was. Decisions were taken by the state government in the lead-up to and during the election campaign that I think were scandalous and deserve some kind of scrutiny. Back in May, there was a bipartisan call for the speed limit to be dropped to 90 kilometres an hour, but the government did not change the speed limit until January this year. The state government knew that the motorway was not designed for speeds of 100 kilometres an hour, but they did not drop the speed limit. The situation was such that the RACQ declared there was a one in two chance of being held up by an accident on that section of road. They ran the gauntlet and kept the traffic running through there at 100 kilometres an hour, which I think was an absolute scandal.

To add insult to injury, the state government tore up the bitumen along the Ipswich Motorway. They tore up about 10 big patches, from one end to the other, of the Ipswich Motorway. They did that at about the same time, back in May. They must have had a meeting and decided what they would do politically. They tore up all these big patches of bitumen and then decamped. They left the road, ripped up, and made a statement: ‘It’s too cold now. It’s too cold for us to put the good surface over the top of this. We’ll have to leave this scarified road.’ They left it from May. But guess when they started to put the surface down? It was the evening of 9 October. On the evening of 9 October, on election day, out came the bitumen repair crews. They left those bits they ripped up and put up a sign, signed by Bernie Ripoll, that said, ‘Mr Howard, why won’t you fix our motorway?’ I have run over time, but I want to thank my family for their contribution and for their ongoing love and support for me. They provide the sustenance that allows me to continue to take strong stands despite the slings and arrows that come through politics. (Time expired)
Mr KELVIN THOMSON (Wills) (12.38 p.m.)—I want to take this opportunity to congratulate the Speaker on his election and to congratulate you, Mr Deputy Speaker Causley, and the other members of the Speaker’s panel. The address-in-reply provides an opportunity for each of us to talk about our own electorates. Having been given that opportunity, I want to say how delighted I am to take up the opportunity to talk at some length about the electorate of Wills. I have been fortunate to represent the electorate of Wills for some nine years. Over those nine years I have met many people and have been involved in a great number of community activities. The electorate of Wills has a strong history, and we have much to be proud of. We are a very strong community, but we do face some considerable challenges. The Howard government has never recognised nor sought to address these challenges. My purpose today is to talk about these challenges and to recommit myself to establishing a new plan for the electorate and the community of Wills.

By way of background, Wills comprises the north-western suburbs of Melbourne and stretches from Strathmore and Gowanbrae in the north across to Glenroy, Hadfield and Faulkner and, heading south, Pascoe Vale and Coburg. It includes Oak Park and takes in inner metropolitan Brunswick. It is a very diverse electorate, made up of people from many different backgrounds. In my time as representative, there has been a great deal of change within the electorate, with new developments, new industry and changing demographics reshaping the face of Wills.

As times have changed, new issues have emerged and become significant in the lives of the people I represent. These issues can generally be categorised under five areas: the economy, education, infrastructure, health and community. I want to explore each of these issues and how they impact the people of Wills. Regrettably and unfortunately, there has been complete lack of commitment shown to the people of Wills by the current federal government. The government offered nothing to the vast majority of people living in Wills during the 2004 election. It is remarkable in a parliament where we have been talking quite a lot about the government’s Regional Partnerships program of some $400 million that it had nothing on offer for Wills. If you think about $400 million and 150 electorates, it looks like $2 million-plus per electorate, but there was certainly nothing on offer for my electorate.

We know the $66 billion sweetener which the Howard government added to the budget in order to further its re-election campaign is undermining our economic prosperity and is threatening to burden families even further by pushing up interest rates. Yet we have a government which remains ignorant and uninterested when it comes to knowing what matters to the people of Wills. I want to enlighten the government just a little and talk about the issues identified by people in my electorate as being important to them.

In a recent mail-out I conducted, the sorts of things that people wanted to talk about were tax cuts and the cost of living for families, particularly for low-income residents; implementing real reform in the health and aged care sectors to meet growing needs; increased allocation of resources to our schools; increased access to training; and the protection and sustainable development of people and the environment. These are all important issues to the people of Wills, but the Howard government barely mounted a campaign for the Wills electorate, let alone indicated any interest or willingness to act upon the concerns of its constituents. People in my electorate deserve the chance to have their views and concerns acknowledged, debated and acted on.
I come to the first issue—the economy. The Wills economy comprises a large network of industry, business and other organisations. Since I was elected back in 1996 there has been a marked transition in the structure of the Wills economy, comprising a shift away from manufacturing with an ongoing decline in the textile, clothing and footwear industry but also an explosion in micro and small business. There have been some 4,000 manufacturing jobs lost in the areas encompassing and surrounding the Wills electorate since the Howard government came to power, including what was a very substantial loss of 600 jobs from the closure of the Kodak factory in September last year.

According to the 2004 *State of the regions report*, released by the Australian Local Government Association, business in the Melbourne north region, which comprises the electorate of Wills, paid $4,209 and $1,455 per capita in taxes and GST, respectively, in 2004. At the same time interest received diminished and interest paid increased, which caused the overall rank of the region to drop from 18th to 29th position. This is not good news for the electorate.

The loss of jobs that I referred to is having an impact on the unemployment rate. In the north-west Melbourne statistical region, unemployment was recorded at 10 per cent in the December 2004 quarter, some 4.4 per cent higher than for Victoria as a whole and not far off the levels recorded when the Howard government first came into office. So, while the government might be willing to champion its management of the Australian economy since assuming power, you do have to ask the question: what in real terms has this done to improve employment conditions for people living in the north-west Melbourne region? There are a clear proportion of people living in Wills who have been left behind well before their working lives should be over. This is simply not good enough. It is a critical issue which needs to be addressed.

There has been one positive outcome in the shift in the economic base in Wills: many people have been exploring small business and microbusiness opportunities. Over the years small business and microbusinesses have developed to become a major feature of the Wills economy, particularly in the retail and service sectors, feeding into and supporting the industry still present as well as being a source of economic activity for the community at large. The development of these businesses has brought with it the opportunity for people within Wills to successfully live and work within our community. These businesses, however, do have substantial difficulties in competing against larger enterprises.

Just to give one example, last year I talked with small business smash repairers about the enormous burdens placed on them through the unfair tactics employed by large insurance companies, such as charging late payments and bullying businesses into accepting inequitable arrangements. This is not unique to Wills smash repairers, but it does highlight the problem of the regulatory environment that the government has fostered at the macro level on the local economy. I understand the Productivity Commission has been examining this issue and is soon to report. But the present situation is that we have got in place a Trade Practices Act inherently biased towards big business and a system of red tape so cumbersome for small business that it has the potential to curtail economic activity.

I have also had pointed out to me the issue of the timing of GST business activity statement forms and superannuation contributions so that small businesses do not get any respite during the Christmas-January period because, although they are permitted to submit their business activity statements at the end of February to take account of the Christmas and new year pe-
period, they do not have a similar allowance for the submission of superannuation contributions information, so they have to work on regardless. This is an issue which I have now raised with the federal government to see if we can get some amendments and make things easier for small business.

I am encouraged and excited by the enthusiasm of business leaders in Wills. They have a great deal of ingenuity and stamina. But they do need a regulatory environment that enables them to flourish. It is important that we use people’s talents and skills better to make sure that we do not throw people on the scrap heap before their time, to make sure that we do not tolerate a 10 per cent unemployment rate in the north-west Melbourne region and to make sure that we put in place the skills and the infrastructure to enable these improvements to occur.

I want to move on to the second issue, education. Unfortunately, the Howard government has not been prepared to adequately fund and resource schools in my electorate. The need to address skills shortages is acute in my electorate. Despite that clear skills shortage, we do not see any action on the ground to address it. We have school-to-work transition issues, and they require a varied array of solutions, but we do not see them. The Howard government’s jacking up of the tertiary HECS fees has not helped young people in my electorate. It certainly has not helped them to realise their ambition of going to university. There is no doubt that it has caused people to decide not to go to university. This is a great shame. It was astonishing to hear the education minister seek to blame Labor for this—talk about shooting the messenger. It is the Howard government’s jacking up of the HECS fees which has led to that declining tertiary education participation rate.

We need to unlock the opportunities available to our young people not only by providing affordable access to universities but also through the TAFE sector. Unless we do that, it will be bad for young people and it will constrain economic growth well into the future. Schools in my electorate are doing their utmost to help shape students’ lives. I have been fortunate to attend many of our local schools presenting academic achievement awards and things of that character. The fact remains, however, that we must do more to support schools in Wills. There need to be resources into local schools to enable them to be world-class centres for teaching. Our teachers are great; they have imaginative ways of seeking to instil a broad based education into our students. Having said that, I must say that there are Wills schools which are lagging behind in what they can offer and how well they can assist students to realise their academic goals. This leaves students and their families in an impossible dilemma.

I observed the federal government announcing grants for capital and infrastructure projects in primary and secondary schools. I certainly hope that schools in Wills apply for those grants. I will be supporting them in every way I can to help them achieve this. Unfortunately, the current funding arrangements which this government has put in place mean that the reality for Wills schools is that they do not have adequate resources, no matter how innovative they are.

I also want to make some remarks about infrastructure. Infrastructure is critical to this nation. If we do not do better on the infrastructure front, there is no doubt in my mind that it will play a role in issues of interest rates and interest rate rises. Some of the biggest issues we have in the electorate of Wills, as in many other electorates, concern road infrastructure. For years now motorists travelling through the Wills electorate have had to contend with bottlenecks and delays, particularly during peak travelling times.
One of the problems we have to contend with is the former Victorian Liberal government’s introduction of tolls on the formerly free Tullamarine Freeway, courtesy of CityLink. This has led to the diversion of substantial swathes of commuter traffic into local Wills streets. You have to laugh when you hear the leader of the Victorian Liberal Party, Robert Doyle, and the federal Treasurer banging on about tolls on the Scoresby, now known as the Mitcham-Frankston project. You have to ask just where they were when former Premier Kennett was imposing a toll on an existing free road.

This has manifested itself in traffic snarls on the Tullamarine and Calder interchange. Every morning motorists travelling on their way to and from Melbourne Airport are confronted by long queues and delays of anything up to 15 minutes during heavy congestion. It is not just about delays: we have had 150 crashes in the past five years at that interchange, or more than one a fortnight. Fortunately, the Victorian government has recently announced a $150 million upgrade of the Tullamarine-Calder Freeway interchange. That is great news for Wills motorists, and I am certainly appreciative of the Victorian Labor government getting on with the job of meeting Victoria’s infrastructure needs. It does stand in stark contrast to the federal government, which has provided no support for this important project and which continues to neglect Victoria and its infrastructure requirements.

Infrastructure issues are not just about big things like the freeway interchange; they can be about small things. In my electorate a new estate, Gowanbrae, has not been able to secure a postbox to service its growing community. It is a brand-new estate with a growing number of families moving in. You would think that it would not be too hard for a postbox to be provided. I have written to the government and to Australia Post concerning this issue. So far the advice has been that the government will not entertain having a street posting box for this community. I think that is a very poor situation. Residents have to walk or drive several kilometres out of their way each day just to post a letter. The idea that this community is not significant enough to warrant the location of a postbox at the entrance to their suburb is simply not good enough. The fact is that functional services and well-developed infrastructure underpin vibrant communities. They make a difference to how people live their daily lives, and these issues do matter.

I also want to reflect on health and aged care. We have seen an unprecedented attack on Medicare and an undermining of resources in the aged care sector. Demographics in Wills have been changing in recent years. According to data on Centrelink benefits assembled last year, Wills has the highest proportion of aged pensioners of any federal electorate in Victoria and the second highest in Australia. That places a great burden on aged care services. The Moreland local government area, which comprises much of Wills, has the sixth highest proportion of people aged 60 years and over in Victoria, based on the 2001 census data.

Regrettably, the Howard government has failed to tackle shortages in aged care services in the Wills electorate. Many families come to me deeply concerned as to what will happen to their elderly parents or relatives after they have attempted to source a bed for them in an aged care facility, only to be told of excessive waiting times and high demand. So we have demand for aged care places in Wills routinely outstripping supply, many operators having no choice but to provide higher levels of care to their patients when their condition deteriorates, even though they are not funded on this basis. Aged care operators whom I speak to are exasperated and overwhelmed by the administrative burdens placed on them. Places like the Dorothy
Impey Home, which do a terrific job for aged people in our community, are struggling under an unreasonable burden of red tape.

Bulk-billing declined by 8.9 per cent in Wills over the 2000 to 2004 period. This means that if you are sick, unless you have the cash to pay for medical treatment, you have less ability to see a doctor. Alternatively, you have to travel further and, invariably, wait longer just to see a doctor who still bulk-bills. This situation is deplorable. It has been very difficult for the community with the increased dental waiting times as a result of the dismantling of the Commonwealth dental program—a program initiated by the Keating government. The Howard government’s dismantling of this program was a mean and tricky initiative. It is typical of this government’s approach to health care and to the needs of older people.

I thank the people of Wills for their support in the last election and for recommitting me to their service. Actions speak louder than words, and my goal for the next three years is to harness the energy, the commitment and the courage of the people in this electorate to set a new vision for our community and to develop a new Wills community plan. Over the coming months I want to be involved in listening to and engaging with people in the electorate of Wills to devise and implement a raft of bold new strategies to ensure that the issues that matter most to the people of Wills are addressed. I want to make sure that no-one is left behind in this community plan, so that the aged get access to quality care and get timely access to dental services.

The people of Wills should be able to drive to work in reasonable time and in safety, they should be able to post a letter without driving miles out of their way, they should be able to educate their children at a well-resourced school, and they should be able to pursue employment and training knowing that opportunities exist for them right now. Anything less than this would be to short-change the people of Wills, and I am simply not prepared to do that.

Debate interrupted.

Sitting suspended from 12.58 p.m. to 4.01 p.m.

Mrs DRAPER (Makin) (4.01 p.m.)—I rise to speak in support of the motion on the address-in-reply to the Governor-General’s speech. In doing so, I join with the mover of the motion, the honourable member for Greenway, in seeking God’s blessing on the work of our new Speaker and on all honourable members.

It is important first to mention the Asian tsunami disaster, which has been one of the most devastating natural disasters in our lifetime. The tragedy has taken the lives of approximately 300,000 people. We here in Australia could never imagine the effect on the survivors. However, the response of the Australians in particular, with their wonderful generosity and spirit of support for the victims of this disaster, has been extraordinary. I would like to pay tribute to my fellow Australians who unselfishly sacrificed, in a monetary sense, so much to help our neighbours in need. I would also like to pay tribute to the men and women of the Australian Defence Force, and of the civilian personnel from Australia, for their extraordinary effort in relief operations in Aceh in the face of such destruction and despair. Their cooperation with Indonesian personnel has been outstanding.

I would also like to acknowledge and comment on the tragic bushfires in the Eyre Peninsula in my home state of South Australia. These fires were some of the worst in 21 years. Tragically the fires took the lives of nine Australians and devastated property and communi-
ties. I would like to pay tribute to the South Australian fire authorities, the police and volunteers for their painstaking work in this tragedy. I also thank people for their generosity and willingness to give funds to various bushfire appeals in South Australia.

I would also like to take this opportunity to congratulate all newly elected honourable members on their election to parliament. Last year they became members of an institution that has its origins in antiquity. The struggle for human freedom and the right of all citizens to participate in their governance has been long and hard won. We need to always remember that the good we do while serving in this place builds upon the work of many others who have gone before us. We are not the pioneers but the inheritors of a wonderful tradition.

I have been much impressed by the content and delivery of the first speeches delivered by our newly elected members. They indicate a wide variety of life experiences amongst our new colleagues which is to be welcomed. Parliament ought to be a true reflection of the community it represents and I certainly think that this parliament honours that desire. As a proud South Australian it would be remiss of me not to focus particular attention on our newly elected coalition colleagues from South Australia, the members for Kingston and for Wakefield.

Listening to the speeches of those newly elected members reminded me of my first speech in this House way back in 1996. I remember being a little nervous at the time at the prospect of speaking before the Prime Minister and so many other experienced members. My first speech took place following a national tragedy—what had become known as the Port Arthur massacre. The nation was still trying to come to terms with such a senseless and tragic loss of life. I remember thinking: how could this happen in Australia? All Australians looked to the newly elected government, and in particular to the Prime Minister, to help them come to terms with the tragedy and to take appropriate action. It quickly became apparent that in their choice of John Howard as Prime Minister the people of Australia had made a wise decision. The humanity, courage and strength of the leadership of our Prime Minister during that time of tragedy and during the gun ownership debate that followed won him the applause and admiration of our nation and helped heal the nation’s sorrow.

In opposition during the 1980s, our current Prime Minister led the case for reform of our economy and the industrial relations system. In government he has shown the same commitment, courage and desire to improve the lot of his fellow Australians. No other government in the Western world had ever sought re-election on a platform of taxation reform on the scale and magnitude of the reforms proposed by this government in 1998. As a member in a perennially marginal electorate, I remember that campaign very well. To their eternal credit, the Australian people returned the faith that the Prime Minister and the government had shown in them. We proved that a government with a reformist agenda could be elected so long as they were honest and up-front with the people and so long as the people could see the very real benefits that would eventually follow such reform.

It has been a pleasure and an honour to serve as a member of this government, which has delivered on its promises to the Australian people. I am fortunate to have had the support of a very strong and active federal electoral committee in Makin, which has worked hard and successfully to provide the resources that a candidate needs to win elections. I wish to record my thanks to my FEC president, my campaign manager, campaign treasurer, Tom Javer, and to the members of my campaign team and staff: Chris Evans, Colin and Mary Kelly, Ben Martin,
Jeanette Martin, Pat Trainor, Michael Collins, Stephen Ernst, Michael Crosby, Bob Randall, Bob Jackson, Glenn Jarvis, Todd Hacking, Matthew Matschoss and Alison Packer.

I also wish to recognise the efforts of the Liberal secretariats, both national and state, and in particular the federal director, Mr Brian Loughnane, South Australian director, Mr Graham Jaeschke, president of the South Australian division of the Liberal Party, Mr Bob Randall, and the state campaign coordinator, Mr Bob Jackson. I record my appreciation to them and to their staff for a job well done. Since first being elected in 1996 I have enjoyed the support of my friend and colleague Senator the Hon. Nick Minchin, the Minister for Finance and Administration. No marginal seat member could ever received more encouragement and support than I have received from Senator Minchin and I owe him a debt of gratitude.

Our Liberal volunteers are amongst the most loyal and hard-working people you are ever likely to meet. I have been blessed with the support of so many people who willingly and voluntarily donated their time and energy to help me win the seat of Makin and help return the Howard government to office. They are too numerous to mention them all—they know who they are and I thank them one and all.

In his speech, the Governor-General has outlined the government’s fourth-term agenda. Clearly, there is a great deal more to be done, and this is not a government to rest on its laurels. The Australian people have not only shown their confidence in us by returning the government to office but have sent a very clear message by the strength of their support for coalition Senate candidates. This election did produce a sea change but not the one predicted by those opposite and their friends in the media. It should now be apparent to even the most ardent supporters of left-wing politics that the Australian people have delivered a very strong mandate for the implementation of the policies of the Howard coalition government and they do not want these policies obstructed in any way.

His Excellency highlighted the ambitious nature of the government’s agenda, with our overriding commitment to ensuring that the economy remains strong and that national prosperity is shared by the entire community. Australia has a growing and open economy that has demonstrated tough resilience in the face of the worst drought in recorded history, the 2001 US recession and the 1997 Asian financial crisis. Despite these external pressures, the Australian economy is continuing a record growth of economic expansion, continuing low inflation and an unemployment rate that is the lowest in almost 30 years. The 2004-05 federal budget delivered the government’s seventh budget surplus since 1996 and, since coming to office, we have reduced Labor’s debt legacy by more than $70 billion. This has meant that around $5.5 billion which would have gone in interest payments has been moved to priority spending areas, like health, education and national security.

This is what we mean by spreading the prosperity of our nation throughout the entire community. Good economic management ensures a greater means of meeting community needs and expectations. Previous Labor administrations spent up big, but left the cupboard bare. They did not understand and, judging by the policies they took to the people at the recent election, they still do not understand that, in order to provide the services and infrastructure that Australia needs, we must first manage our finances well, induce stability and confidence, and encourage individual enterprise and business growth. You cannot do that with the sort of ‘tax and spend’ policies so strangely beloved by the Labor Party and yet rejected by the Aus-
Australian people. Personal income tax cuts represent the dividend received from good economic management.

The introduction of the new tax system in 2000 delivered $12 billion a year in personal income tax reductions and further cuts were introduced in 2003. As the economy grows, so do the dividends. Strong economic management has been the hallmark of this government and much of the credit must go to the Treasurer, the Hon. Peter Costello, and the Minister for Finance and Administration, Senator Minchin. It is no accident that, under their stewardship, Australia has regained the AAA credit rating that was lost by Labor, recorded a doubling of real household wealth since March 1996 and enjoyed the benefits of greatly reduced home loan interest rates. It is a fact that more full-time jobs were created in the first six months of last year than were created in the last six years under Labor. Helping people find fulfilling employment has been one of the most important achievements of this government. When the member for Brand was minister for employment in the last Labor administration, unemployment peaked at 10.9 per cent. Since coming to office, the Howard government has created over 1.5 million jobs and the unemployment rate now sits at around 5.1 per cent. Further labour market reforms would make that figure even better.

His Excellency has foreshadowed the acceleration by the government of further reforms to workplace relations that will serve to lift productivity, improve living standards and create an even better environment for jobs growth. I welcome the commitment to pursuing our policies of abolishing Labor’s unfair dismissal laws for small business and giving formal recognition and protection to independent contractors. Let there be no mistake: this is a government which honours the entrepreneurial spirit of Australians. Small business entrepreneurs, from the mum-and-dad enterprises to the small publicly listed companies, ought to be encouraged and rewarded for having a go, for following their dreams and creating wealth and opportunity for others in the process. That is why I strongly support the commitment made by the government to introduce an entrepreneurs tax discount for small enterprises and the establishment of a new regulation reduction incentive fund designed to reduce the regulatory burden on home based businesses.

The government should simply get out of the way of business where there is no need for regulation and red tape. This is a government that has a successful record of creating new opportunities for Australia’s entrepreneurs. Free trade agreements already signed with Singapore, Thailand and the United States of America will deliver a huge boost to our economy, with massive benefits for Australian producers, manufacturers and workers. The Prime Minister’s recent negotiations with other leaders of nations within our region offer hope for further agreements in the future.

Finally, I welcome the commitment of the government to take further measures to protect Australia and her citizens from our enemies. The policies outlined in the Governor-General’s address at the opening of the parliament will serve to benefit all Australian families. I look forward to their implementation and to the continuance of good government in this country under the Howard coalition government.

Mr PRICE (Chifley) (4.15 p.m.)—This is really my first opportunity to speak since the election, so I want to place on record my deep appreciation—and I am sure that this applies to all honourable members—for all those party workers and volunteers who work so tirelessly to secure the return of their member. My case was no exception. I would like to express my
deep-felt thanks to them and, in particular, to my constituents, who have again—some might say foolishly—returned me. It is a regular contest. I like to say it is a triennial shareholders meeting: everyone gets to vote. The Howard government was returned again, and I congratulate the Prime Minister on his return to office. It was disappointing for us. I thought we genuinely had a chance of winning. Not only did we not win but perhaps, in terms of our expectations, we went a little backwards.

But life is not without pleasures, and I am pleased to see the very new member for Parramatta doing whip duties. She strengthens us enormously in Western Sydney. We are a very proud region. By 2016, we will be more than half of Sydney’s population. We are the third-largest economic region in Australia, with over a million people. Being from the western suburbs of Sydney, we are very proud to answer to the name of westies. Without a doubt—and I am sure that the honourable member for Parramatta would agree—Parramatta is our capital. So it is very pleasing to have the new member for Parramatta here.

I was listening to the contribution a little earlier and thinking about the strength of the economy. I must say that there were a number of issues that really decided the election. Without a doubt, one of those was interest rates: the belief, the fear, held by so many people in Western Sydney who struggle for a deposit, who then battle a monstrous mortgage and at the same time raise families and go to work, that somehow interest rates might rise. Of course, with the return of the Howard government there was a belief that they had a contract after the last election that there would be no rise in interest rates.

I have noticed the contribution from the new member for Greenway in the same debate, and there was not one word about the prospect of a rise of interest rates. I do not claim to have an economic crystal ball, but it is certainly clear or almost odds on that, so soon after this election where there was such a key issue in relation to interest rates, interest rates are going to go up. There was nothing in the contribution of the honourable member for Greenway about the impact that this might have in Stanhope Gardens, a very new suburb; Quakers Hill; Lalor Park; Kings Langley; Marayong; Marayong South; Blacktown; or Prospect. All of these suburbs have lots of people, Western Sydney residents, who have battled to achieve a triumph in life—that is, to get their home and have a mortgage. And now, without doubt, they are going to be hit by an interest rate increase. I wonder how those people feel.

In my electorate of Chifley approximately 35 per cent of people are paying off a mortgage, so it is no less affected than Greenway. I am sure the honourable member for Parramatta would say, ‘If you think you have got problems in Chifley and Greenway with an interest rate rise then it is going to have a profound effect on Parramatta,’ and I would have to concur with her. It will have a profound effect on the electorate and suburbs of Lindsay—there are some very new large suburbs there where land is selling for $250,000, $300,000 or $400,000 just for the block. This interest rate increase, which people feel they were promised was not going to happen, will happen, and it is going to make them feel very disappointed, somewhat distrustful and betrayed by all that was said during the election.

Madam Deputy Speaker Bishop, I know that you are very interested in issues of parliamentary reform. I am pleased to say that we served on the Procedure Committee together, and I have always acknowledged your role in one of its reports on the introduction of an estimates committee process for the House of Representatives. Without putting words in your mouth—that would be against the standing orders—we miss out in the House of Representatives, be-
cause we do not have an estimates process. We are in the middle of Senate estimates now. Every senator, from the newest to the oldest, has an opportunity to ask questions about any portfolio that they are interested in. They can ask questions generally, they can ask questions specifically about impacts on their electorate or they can do both. In the House of Representa-
tives we are somewhat stillborn by not having that opportunity of an estimates process. Frankly, Madam Deputy Speaker, while I have admired your, and the committee’s, contribu-
tion to parliamentary reform, I remain disappointed that the report has not yet been taken up by the government. Given your new status as Deputy Speaker on the Speaker’s panel, I hope you might use your good offices to argue for parliamentary reform.

There are other issues that I want to canvass. The honourable member for Hotham does not get the recognition that he deserves for proposing something that was quite innovative at the time: a concrete proposal for an independent Speaker. The proposal was for one Speaker from the coalition side. At the time it was proposed that Speaker Neil Andrew would be the independent Speaker for a further six years. When his term finished an independent Speaker from the other side would be appointed. Whilst there was a coalition Speaker you would have a Labor deputy speaker; whilst there was a Labor Speaker you would have a coalition deputy speaker. Credit should be given for the degree of innovativeness of this idea and for trying to add to the debate about parliamentary reform.

My problem with the notion of an independent Speaker, recognising that I thought it was a good proposal, is that that role is largely dependent on the government of the day providing slack to the Speaker. That applies to a coalition government or a Labor government. It is not necessarily the quality of the Speaker that matters but the degree to which they are allowed to operate. Let me give you an example. In the standing orders, notwithstanding their revision after 40 years, we still have provisions for supplementary questions. Coalition Speaker Halverson, on assuming office, said that he was prepared to allow a limited number of sup-
plementary questions during question time. Madam Deputy Speaker, having been hailed in another—I will not say darker—life as a senator, you are very familiar with supplementary questions. But the truth of it was that it went against the prevailing views of the government of the day.

To be fair, there has not been a recent Labor Speaker who has allowed supplementary ques-
tions either. That is what I mean by providing slack to the Speaker. I think it is actually re-
forming the standing orders and giving the Speaker a better set of standing orders that will provide for a better operation of the House. For example, for a long time I have succumbed to the temptation of putting notices of motion on the Notice Paper. A proposal of mine of many years’ standing—borrowed from the Senate, I readily admit—is to limit the asking of a ques-
tion to one minute and the answering of a question to four minutes. That provides a discipline both on the questioner and on the answering of it.

Look at the standing orders in relation to asking questions. There are any number of stand-
ing orders that govern the asking of a question but only one on the answering of a question: that it should be relevant. Why can’t we have a change to the standing orders? I have gone into some detail, which I will not repeat here, to basically ensure that the same standing orders that apply to the asking of questions should also apply to the answering of questions. It seems a simple proposition. Again, I think that would make a change.
I have also proposed a couple of things that I like to think are about empowering citizens and making them feel in touch with our parliament. I know that some people take a deep exception to it, and see it as the wrong way, but I see it as being very empowering—with petitions, for example. If there were a group in the electorate of the honourable member for Parramatta who felt passionately about an issue, collected signatures on a petition to the parliament and gave it to the honourable member for Parramatta, and she checked it with the Clerk to make sure it was in order, then why shouldn’t those petitioners be allowed to come to the bar of the parliament and read out the prayer of the petition? Wouldn’t this really put the parliament in touch with the citizens or citizens in touch with the parliament? It is something that I feel very deeply and strongly about. I must say that that particular notice of motion has never been debated, but I like it. Some may say it is symbolic. Well, what about a bit of symbolism?

The other proposal relates to asking questions on notice. Again, I will use as an example the honourable member for Parramatta, who I know is very conscientious in serving her electorate. If a citizen, whom we will call Mr Smith, contacts the honourable member for Parramatta and says, ‘I would like to have the answer to this question about the department of finance’—or the department of immigration—why can’t Mr Smith’s name appear on the Notice Paper as well as the honourable member for Parramatta, who then asks that question? Isn’t this empowering our citizens? Isn’t this what democracy should be all about?

The truth of it, as one Canadian has said, is that we live with a democratic deficit. We do not have enough democracy; we actually have to invest in democracy. It staggered me that Senator Jessop from the 1970s proposed in a Senate report that there should be a staffing and appropriations committee to assist the President of the Senate, and a staffing and appropriations committee in the House to assist the Speaker, and that the two committees should meet where common issues could be discussed. That report was implemented in the Senate. Senator Jessop was a coalition senator, I might say. But today, even though this is a new century, a new millennium, and notwithstanding that we have had over 100 years of democracy in this place, the only department that is singularly unaccountable to anyone is the Department of the House of Representatives.

It is not a situation that I believe the Clerk feels comfortable with or would indeed advocate. In fact, the President of the Senate sees the Senate Staffing and Appropriations Committee not as a committee to stamp on his ground but as a committee that is prepared to assist, give advice and fight for issues—and here we are, as a parliament, spending millions of dollars on security arrangements. Under a coalition government, every other department has been supplemented for that, but what is happening in this place? We are cutting library staff, we are cutting the nursing station and we are cutting the committee system. When I first came into this place the committee system was pretty simple: you had a secretary of a committee and you had supporting staff. Now we have a secretary supporting three committees. I am not rubbishng the committee system, but I think the cutbacks in committee staff have been ridiculous. In the parliament of 2001 we increased the number of committees by three and we did not add one staff member. Mr Deputy Speaker Baldwin, I know that you are a very conscientious committee member—and I would like to think I am—but we all know how dependent we are on good staff. We should be strengthening the committee system. We should be putting more human resources into it. We should not be cutting the number of researchers.
in the library to pay for a concrete block around Parliament House. I can think of nothing more ridiculous.

The House of Representatives Standing Committee on Procedure, under the chairmanship of the former member for Aston, did a review of the House of Representatives committee system. It was a good review, but I had one major problem with it. In fact I had a pretty big argument with the former member for Aston, not that I was on the committee at that stage. He chaired the review of the committee system without looking at the staffing of it and without looking at the funding of it. When will this parliament be proud of its committee system and actually look at the real guts of how a committee system works by looking at the staffing of it and by looking at the appropriations for it? I admire the United States: a congressional committee would have 18 staff. If we are going to denude committees of staff, perhaps we should go to the congressional system of staffing for members of this place. With something like 30,000 to 40,000 more constituents, they get 18 staff—and we get three. Those three are great, I am sure you would agree—and they are hardworking—but what could we do with more?

What I am saying is that, as an institution, this parliament has to adapt and change. We have to be prepared to invest in and argue for our democracy. The committee system is important. If we keep on this jihad of cutbacks to it, of asking more and more of staff, then at some point we are going to get some very shoddy reports—and it will not be the fault of the staff; it will be our fault. But where is the forum in this place to bring up these concerns? We do not have a staffing and appropriations committee. Thirty years after Liberal ex-Senator Jessop proposed one, we still do not have one. This government of alleged honesty, probity and transparency cannot have one in relation to the House of Representatives. We are diminished and hypocrites without it.

The other proposal I am putting on the Notice Paper is to change the name of the Procedure Committee, because I think this parliament needs to be modernised. We should have a committee of procedures and modernisation of the parliament. There is nothing wrong with taking stock of what we have achieved. There is nothing wrong with holding on to our core values. However, every institution has to change and adapt. The people who are being left behind in this parliament are not the executive or the ministers or the parliamentary secretaries—and I mean no disrespect to them. Mr Deputy Speaker Baldwin, they are the people that you as a deputy speaker are charged with upholding in this place: the ordinary members of parliament. We are being limited in the sacred duty that the people of Australia have placed upon us. We are becoming less effective at a time when people want us to be more effective. We should not be frightened of our traditions; we should be proud of them but we should not be frightened of creating new traditions.

Mr TICEHURST (Dobell) (4.35 p.m.)—I owe my presence here today to a number of people but, most importantly, I owe it to the people of Dobell. Without their support on 9 October 2004, I would not be here. They have once again vested in me an enormous honour and responsibility, and I intend to honour that trust to the best of my ability. Following my election to the House of Representatives in November 2001 and again in October 2004, I have been actively consulting with local residents and community groups on a regular basis. I vow to continue to provide this level of accessibility and representation to my constituents.

The issues that have been conveyed to me by Dobell residents of various demographics over the years are the focus of my forward blueprint for our area. This blueprint builds on my
local successes and the strong achievements of the Howard government. When I made my first speech in this House over three years ago, I spoke about three vitally important issues for Dobell. I labelled them the three Es: education, employment and environment. The three Es are still very important to the future of Dobell, and the intrinsic linkage they hold is as strong as ever.

I will take this opportunity to commend the Central Coast Campus for the valuable service that it provides to our community. This campus is a unique learning centre in that it contains a university, a TAFE, a community college and Business Central Coast, as well as operational small businesses, on one site. Indeed, many federal and state ministers, particularly the Hon. Brendan Nelson, upon visiting the site have regarded the campus as a model for the future of the higher education institution in Australia.

Last year, with the support of many people, I successfully secured an additional 1,000 places over three years for the Central Coast Campus to meet student demand, and this demand has been taken up in enrolments and offers this year. I will continue to provide this level of support. I have been made aware that the university requires funding for the purchase of relevant dentistry equipment for the 50 student places now funded, and I will work with the campus to provide a positive outcome. The Howard government recognises that we have a rapidly growing region, and I am committed to ensuring that we have the additional places and facilities to support this growth. By maximising educational and training opportunities locally, our work force will have school leavers who are ready for duties, as has always been my aim.

Sadly, many of our local public schools—and I have no doubt that the problem occurs across the entire state—have been seriously let down by the New South Wales Carr Labor government. During the election campaign, I visited Tuggerawong Public School with the Hon. Brendan Nelson, where the terrible state of the student toilets was drawn to our attention. We contacted Minister Refshauge and, as a result, the issue of capital maintenance of the Tuggerawong site was put firmly on the agenda. It had been slated for operation in 2007. Days later, I was contacted by the school, which expressed delight that finally the Carr Labor government had decided to treat the refurbishment of these toilets as a priority.

It is unfair that state school students in my electorate are paying the price for the state Labor government's economic mismanagement of this state. However, as long as I am the federal member for Dobell, I will continue to work to ensure that the state Labor government is accountable for its responsibilities. It is my priority to continue to expand educational opportunities for students of state and independent schools, and I will fight to ensure that our local government and non-government schools get their fair share of the additional funding pool of $1 billion over four years that was announced by the Prime Minister during the election campaign. I will work directly with the parent and citizen groups to restore and build new facilities for schools on the Central Coast. Funding will be provided directly to schools because local schools know best what they need in their schools. It is particularly pleasing that this funding will be provided directly to the schools and not caught up in the priorities of the state education bureaucrats. Parent groups, in conjunction with their principals, will be asked to apply for the funding.

The government has also invested an additional $300 million in less well off Catholic and independent schools. Again, the school communities themselves will determine their priori-
ties. Unlike Labor, the coalition does not believe in a divisive school funding policy that provides funding for some students by cutting funds from others. This $1 billion initiative will restore and build Australian schooling infrastructure—infrastructure that will provide for current and future generations of young Australians.

With more than 70 per cent of students not going to university directly from school, vocational education and training are of paramount importance. In one of the most significant boosts to vocational education and training ever undertaken by any government, the Prime Minister announced during the election various measures to address the industry skill shortages, including the establishment of 24 technical colleges throughout Australia, with one to service the Central Coast. This is great news for my electorate of Dobell and for Australia. The 24 technical colleges for students in years 11 and 12 will be created in regions suffering from serious skill shortages and high rates of youth unemployment which are supported by significant, rapidly growing industry bases.

The abolition of technical colleges by the states has meant that over the past few decades young people have lacked training skills pathways. The price we have paid is the occurrence of the skill shortages we are experiencing in many of our key industries. One local group is aiming for a technical college to be linked in with the Ourimbah campus. A linkage with the campus would help to maximise opportunities to address skill shortages, youth unemployment and local apprenticeships. Industry involvement is crucial in these developments. It also must be appreciated that a lot of opportunities are lost for apprentices. They cannot apply for a TAFE course unless they are indentured. This also leads to a severe shortage of skills. Many people wish to take on a TAFE course but they are unable to unless they are indentured.

Nationally, the unemployment rate has fallen to its lowest level in generations. The Central Coast has enjoyed strong local growth in recent years. However, we can and need to do better. Unemployment figures can be further reduced by reforming the nation’s workplace relations system, especially for small businesses. Australia’s 1.1 million small businesses are vital to job creation and a strong economy. That is why it is vital that we acknowledge the great work that they do with laws that support them. With a background in small business, I understand how government policies can affect its operation. That is why I am fighting for changes to Labor’s unfair dismissal laws, which impede small businesses and cost jobs. It is great to see many small businesses out there supporting our New Apprenticeships scheme and helping our young people and mature age workers gain valuable employment. This situation will only improve once unfair dismissal laws are changed.

As more and more families escape the fast pace of Sydney for a more relaxed way of life in my electorate on the Central Coast, this rapid population growth is placing pressure on our water. This brings me to the third ‘E’. Population growth throughout Australia and its variable climate are placing pressure on water availability for all Australian cities and towns. 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 out of the $2 billion Water Fund. This program is great news for councils that have historically lacked financial resources for new and innovative water projects. 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. It is my intention that the Central Coast gets its portion of that funding pie. To meet this aim,
initially I had a meeting with the minister last year, inviting the mayors of both councils, together with general managers and directors of engineering. We have had preliminary talks and are very keen to put an application in to the Water Commission.

In addition, and building on the Australian government’s involvement in solving an environmental problem at Tumbi Creek— one that has become famous over the last couple of weeks— Wyong Shire Council and I are keen to examine the processes for gaining Commonwealth support for further environmental works on the Tuggerah Lakes system. We are working toward a whole-of-catchment investigation into improving our Tuggerah Lakes system, including the exploration of more ocean access flushing points. During his visit to the Central Coast in September, Senator Ian Campbell established that Tuggerah Lakes could be one of the 20 projects to be funded and managed by the federal government’s $2 billion water initiative over the coming years. My electorate would be delighted by this sort of assistance, and I look forward to working 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 one of the most precious assets on the Central Coast and it is something we must work hard to protect. 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 has never come to the party locally, particularly when it came to providing the one-third share of the funding for the dredging of Tumbi Creek. Despite all the huffing and puffing we heard last week from the Leader of the Opposition, local residents and I know full well that that job still needs to be done, and it needs to be done properly, not as the new Central Coast state minister would have it, by dredging the creek and dumping it in the lake. Nobody wanted that four years ago and they do not want it today.

My constituents are very grateful for the Howard government’s generosity that allows us to double our funding and offers over $1.3 million to cover the state’s share as well as the federal share of funding for this project. I will continue to work to protect and restore our natural environment, including the Tuggerah Lakes. This year I will officially commence the federal member’s lake advisory board to ensure that a plan can be adopted for Tuggerah Lakes and that all levels of government can be lobbied to contribute to the ongoing protection of our lifestyle. The future of Tuggerah Lakes, including the entrance channel, is my highest priority.

On the health front, the Prime Minister’s announcement last year of an additional $50,000 for the new primary health care unit in North Wyong has been welcomed by the Warnervale community and also the local community. The funding will assist in the employment of two bulk-billing doctors and brings the total federal government contribution to the project to $473,280. The centre is set to open shortly and it will provide general practice and allied health services to the people of North Wyong and Warnervale. It will trial models of patient care that link with those available at the local Wyong hospital. It will mean better coordination of care when patients move between the community and hospitals, and the right care at the right time. Once under way, it has the potential to attract more GPs to the area, especially those with a strong interest in research, and it will enhance the level of services available to people in the local area. I have also continued my representations to the Minister for Health and Ageing, Tony Abbott, regarding possible additional incentives to attract more doctors to...
our region, including the possibility of utilising overseas doctors where there are minimal cultural and language barriers to address, and maximising local university graduates in this field.

The Warnervale and Wyong areas are also set to benefit from the Deputy Prime Minister’s announcement of $2.5 million for the construction of a link road from Britannia Drive in Watanobbi to Sparks Road in Warnervale. The funding will cover the construction of the northern end of the road link so that safe access can be provided from Albert Warner Drive to two major educational institutions. The new road will play a vital role in supporting the planned development at Warnervale and will connect Watanobbi and the Wyong township to the educational establishments and employment areas being developed in Warnervale. This funding will ensure that public transport between Wyong and the proposed Warnervale district centre is linked. This project has received my strong support because it will take through traffic away from the residential streets of the fast growing suburb of Hamlyn Terrace and it will make Hamlyn Terrace a safer and better place in which to live and raise families.

While the Howard government is investing money to make our community safer and to take heavy through traffic off residential streets, it is disappointing that the New South Wales Carr Labor government still plans to build a new fire station in residential Minnesota Road, despite my pleas and those of Wyong Council and the people of Hamlyn Terrace. I sincerely hope that commonsense will eventually prevail and that the New South Wales government will reverse its decision and take on Wyong Council’s offer of a fire station site on Sparks Road—the main road.

Sadly the New South Wales Labor government is letting the Central Coast down in so many ways. One of its latest failings is a plan to proceed with methane gas exploration in the Yarramalong and Dooralong valleys despite community concern and evidence that the consequences of such drilling can be devastating to the environment and the water table. The same can be said for federal Labor with the Leader of the Opposition’s recent inaccurate and deliberately dishonest assertions over Regional Partnerships and Tumbi Creek. Indeed, statements from the mayor and from council officials, and letters to me from the local community and particularly from those who live by the creek, confirm that the dredging needs to go ahead and that it needs to be done properly.

The Central Coast lifestyle is still something that we must work hard to protect. Whether it be fighting for the road black spot funding to make our roads safer, continuing the success of Work for the Dole or improving our local environment, I will not stop working to ensure that the Central Coast remains the ideal, pristine place in which to live and raise families.

In conclusion, let us look at the reason the Australian government has been able to provide so generously to the people of the Central Coast. The reason is strong economic management, which is not, as Labor would like to have people believe, a given thing or something that comes about by accident. The reason this government has been able to provide so much for so many is that our Prime Minister has made the hard decisions, the tough decisions, over the last nine years to protect and secure Australia. This government has made decisions that have seen $70 billion of Labor’s irresponsible $96 billion debt repaid. It has made the decisions that have kept interest rates down to their lowest levels in a generation, making it much easier to pay off the family home.

Good economic management means that we can afford to give something back to hard-working Australian families, including those in my local area, who without job security and
low interest rates would have less security and fewer choices. It means we can reduce the marginal tax rate for hardworking Australians, increase family tax benefits and child-care places and provide a new maternity payment for every mother on the birth of a child. The recent federal election was about the future of our respective local areas. My future plan for Dobell outlined in this address-in-reply debate builds on the local achievements of the Howard government in Dobell. I once again thank the people of Dobell for granting me their support, thus giving me the opportunity to deliver my future plan for the coast in full.

Mr WILKIE (Swan) (4.51 p.m.)—I rise to speak on the address-in-reply to the Governor-General’s address in opening this 41st Parliament of Australia. There are three main objectives for my speech today: to thank those who supported me in the last election, to describe some of the chronic problems which remain in the health system in my electorate and to outline the failure of the government’s approach to address Australia’s fundamental challenges.

First, let me start by saying thank you to all those who supported me and voted for me at the election. It was certainly a close-run thing. The seat of Swan has been a marginal seat for many years. It has always been tough to hold for the Labor Party, and I am delighted that I was able to continue as the federal member, albeit by the slimmest of margins. In Western Australia the statewide swing against the ALP was 3.8 per cent, yet the swing against the ALP in Swan was contained to just 1.9 per cent. So we bucked the trend in Swan, and the credit for that goes to the local volunteers who worked so hard and tirelessly to achieve a positive result. My heartfelt thanks to each and every one of you.

There are simply too many people to name individually here, but I would like to identify some and record my appreciation for them today. Firstly, there is my campaign director, John Halden. John’s management of the campaign was nothing short of extraordinary. His strategic direction, good sense and patience deserve particular approbation. John: my warmest thanks. To those who volunteered to help during the campaign and who manned polling booths: without your help, we simply could not have crossed the line. In very marginal seats such as Swan, such help makes the difference between winning and losing. May I offer a huge thank you to all of you. To my staff, all of whom worked so hard under enormous pressure: thank you. I would particularly like to mention Jenny O’Reilly, who kept the show together, and George Kinsman, who has been working in the Swan electorate office, volunteering every working day, since 1998. George does a massive amount of work for the community groups in the electorate, and I know they are as grateful to him as I am. Dee O’Brien, Chris Davis, Linda Somers and the Canberra connection, Don Dwyer, deserve a special mention for their unstinting work on my behalf.

My thanks go to my colleagues in Western Australia—Bill Johnston, State Secretary of the ALP, Senator Ruth Webber, Alistair Jones—and to those colleagues from the east who provided help before and during the campaign. Thank you to Karl and Lucinda, good friends of mine from Canberra, who came over to Perth at their own expense to help out. It was a fantastic effort and much appreciated. Thank you to my parents, Bill and Faye, who have always provided more encouragement and help than I deserve and who gave me unparalleled support throughout the campaign, and also to my sisters, Kelly and Meredith, and their partners, Chris and John. I would also like to thank my partner, Anna, for her support and encouragement during what was a very stressful time, particularly during the three weeks after the election, while we were on a knife edge waiting for the result. I particularly remember when we were
some two votes ahead and counting was put on hold for three days whilst the commission waited for outstanding ballot papers to be delivered. It is not an experience that I would highly recommend. I would also like to take this opportunity to thank Kim Beazley and Susie Annus, who went through similar circumstances and experiences in 1993, for their support and encouragement in the period following the election. Again, to everyone who made winning Swan possible: thank you.

Finally, on a less serious note I would like to thank my Liberal opponent, his campaign team and the Western Australian division of the Liberal Party. Without their strategic decision to attempt to mislead the electorate by falsely implicating an innocent elderly lady in a smear campaign against me, and their bungling of the consequences of that smear campaign, there may well have been a different result. I would like to acknowledge with gratitude the letters, emails and phone calls of support from so many outraged constituents and from Australians from other parts of the country who were repelled by these underhand and dastardly tactics.

I would also like to acknowledge the role the media played, particularly the West Australian and Paul Murray from radio station 6PR, for exposing these dirty tricks and calling my opponent and his party to account for their actions; and the Community Newspaper Group, who originally printed the dubious correspondence, for their attempts to obtain the identity of the letter’s real author.

Only yesterday, a family visiting Parliament House from my electorate asked to meet me to tell me that they had moved into Manning just before the election and that they usually voted Liberal. However, having seen how the Liberals had behaved during the campaign, there was no way they were going to support my opponent and, in their words, given that I was working for the community, they decided to vote for me. I thank them for their vote. I know that all members of the House will agree with me that there is no place for such deceitful and devious actions in the Australian parliament or in seeking to gain political office. My message to all of the constituents of Swan is that I will continue to work hard to serve their interests and to fight for a better deal for Swan in this parliament.

That brings me to the second issue I wish to canvass today: the availability of health services in my electorate. There are two aspects to this: a new Medicare office in Belmont and substantially more after-hours GP services in the Bentley area. The electorate of Swan desperately needs a Medicare office in Belmont to serve the people of the area. At the moment there is one Medicare office in the electorate, which is located at Cannington, leaving the northern part of the electorate completely unserviced except in terms of agencies located in chemists in Victoria Park and East Victoria Park. As members know, while a Medicare claim form can be lodged at an agency, any more complex issues must be dealt with at a Medicare office. It is invariably the elderly, those with young families and those with disabilities for whom the more comprehensive services of a full Medicare office are required.

My electorate is home to many such people who rely on public transport and cannot travel great distances. It is simply unacceptable for them to have to travel over 10 kilometres to Cannington in order to access the services of a Medicare office. Indeed, some constituents have told me that it can take more than two hours on public transport for them to attend the Cannington office from the Belmont area. Quite clearly, locating an additional Medicare office in Belmont would enable the needs of the regional population of 31,500 to be met far more effectively and would make a significant positive difference to their lives. Under La-
bor’s election policy, we committed to providing a Medicare office in Belmont. Unfortunately for the electorate of Swan, the coalition made no such commitment. On behalf of the residents of the northern part of the Swan electorate, in particular the elderly, the chronically ill and those with disabilities, I urge the government to reconsider this worthy proposal.

I would like to demonstrate to the House the inadequacy of the current provision of extended hours GP services in the Bentley area of my electorate. I am advised by the Canning Division of General Practice that some 166,000 people live in Bentley and its surrounding areas and, of the 63 GP surgeries, only 13 offer more than five hours a week of extended services and only three offer services on Sundays and public holidays. As the government recognised through the establishment of the After Hours Primary Medical Care Program, if after-hours services are inadequate then pressure mounts on already overburdened and underfunded public hospital emergency units. Yet considerable uncertainty surrounds the allocation of funds for this program. As I informed the House last November, in 2003 a grant application under this program was submitted by the Canning Division of General Practice, which encompasses my electorate of Swan. As of November, not even an acknowledgment had been received from the Department of Health and Aged Care. Once I raised the matter in the House, a response was finally forthcoming.

Sadly, I can now inform the House that this application has been rejected. In my view, the decision to reject the application was incorrect. There is substantial evidence of the dire need for after-hours services in the Bentley area and I am most disappointed that improvements have been denied. On behalf of my constituents and the general practice division in Swan, I ask the government to reconsider this application as a matter of urgency. In regard to both these important health service issues, I have today written to the Minister for Health and Ageing, Mr Abbott, to ask him to consider establishing a Medicare office in Belmont and to approve funding for after-hours GP services in Bentley. I have invited the minister to join in visiting both these parts of the electorate and to meet with those affected by the lack of services at present.

Whilst the minister and those of us on this side of the House fundamentally disagree on many issues, I know that he would be concerned that many of the most disadvantaged people in the community are those who are being denied access to basic health services in these areas. I look forward to the minister’s reply to my letter and to arranging some meetings for him in the electorate. Minister, these issues are genuine and can be solved with your personal intervention. I hope we can welcome you to Swan to see the need for yourself.

I would like to comment about the government’s failure, since the election, in its approach to Australia’s fundamental challenges. Over the last three months some interesting facts have come to light about the funding of the government’s election policies. According to the highly regarded economics consultancy firm Access Economics, a firm which, incidentally, has been employed in the past by the Liberal Party to cost its policies, the government’s spending spree in the election added up to $66 billion. That was the price of the coalition’s election victory. The Treasurer should hang his head in shame that he did nothing to rein in the Prime Minister in one of the most profligate spending sprees this country has ever seen.

As members of this House would recall, in the months leading up to the calling of the election there was a plethora of spending promises wheeled out, often accompanied by taxpayer funded advertising to promote the government. The giddiness of the spending spree acceler-
ated during the election campaign, adding up to a whopping $66 billion. What was the upshot of this spending spree? You do not need to be a professor of economics to know that such a significant increase in government expenditure, with no other changes to the budget parameters, is going to put upward pressure on interest rates. Lo and behold, the Reserve Bank, in its heavily shrouded language, said as much last week. We have already seen inflationary pressures on the rise, with the CPI for the December quarter rising to an annual rate of 2.6 per cent.

These inflationary pressures will obviously underpin higher interest rates. I know that all members will be watching with interest when the Reserve Bank governor appears before the parliamentary economics committee this Friday and the committee seeks amplification of the reasons for the bank’s foreshadowing of interest rate rises. Who will pay for the fiscal irresponsibility of the coalition government? It will be those Australians with mortgages and large credit card debts. They will face higher and higher interest bills unless government spending is curtailed.

The fact is this Prime Minister should have known better. At the risk of delving into ancient history, let me remind members of the House that the current Prime Minister was the Treasurer in the last years of the Fraser government. The Fraser government’s last budget in 1982 saw massive increases in spending in a futile effort to reverse the electoral decline of the government. The futility of this desperate expenditure binge was proven only a few months later when the Fraser government was routed at the polls. Who presided over this spending spree? It was none other than the current Prime Minister. In subsequent years, in the interest of acquiring some much-needed economic respectability, he worked hard to distance himself from the expenditure splurge of 1982, saying that the spending decisions were imposed on him by Prime Minister Fraser. Retrospectively, he even mused that he should have resigned as Treasurer, so appalled was he by the spending increases he was forced to implement. All these years later he has repeated history. His Treasurer is now left to manage the impact of the Prime Minister’s spending extravaganza on the budget. It is no wonder the Treasurer can barely disguise his contempt for the Prime Minister. Perhaps the Treasurer will need to exercise patience and forbearance as he yearns for the leadership. He might well take comfort from the saying: to err is human, to forgive canine.

Already we are seeing the election promises so easily made being broken. For example, just a few days ago, on 10 February, the government announced it was breaking its promises to increase the maximum rate of family tax benefit part B from July 2005 and to pay an unlimited rebate to working families from July 2005. Both proposals have now been delayed until 2006-07. How many more coalition election promises will now become non-core and therefore not be delivered? Meanwhile, Australian home buyers and credit card holders are left to pay higher interest rates. The irony is that it was the coalition that ran a scare campaign against the Labor Party on interest rates and yet it will be the coalition which will, in all likelihood, preside over rising interest rates.

Aside from the sheer size of the spending binge announced by the government before and during the election, issues have also arisen in terms of the nature of the funding. We have seen the current Minister for Veterans’ Affairs flailing around trying to justify some of the dodgy approval processes that occurred when she was parliamentary secretary—all in the best traditions of National Party pork-barrelling. Over the last two weeks, we have seen the Minister
for Local Government, Territories and Roads brazenly failing to take any responsibility for the actions of his staff in encouraging the local authority to defraud the Commonwealth. I am sure that members will agree that his performance in this chamber has reduced the standards of ministerial competence to an all-time low. Frankly, it was embarrassing to witness. The rorts which have so far been exposed in the Regional Partnerships program are totally and utterly inconsistent with good government, transparency and accountability.

Indeed, standards of government are at an all-time low. The Prime Minister has now repudiated his own ministerial code of conduct twice since the election—only four months ago—in the cases of ministers Kelly and Lloyd. The arrogance of this government is palpable. The Deputy Prime Minister struts around bleating about what a good job the National Party is doing for the bush, for example, but even with blatant pork-barrelling the National Party failed to win back either the seat of Kennedy or the seat of New England, despite the Deputy Prime Minister’s well-known obsession with, and paranoia about, the Independent members of those seats. Indeed, as members of the House are aware, there is some disquiet within the National Party about the amount of campaign funds wasted in those two seats because of their leader’s myopic fixation. The National Party lost the seat of Richmond, and, despite the Deputy Prime Minister promising that he would leave politics if The Nationals lost any seats, he is still here. Maybe the new leader of the National Party is in this room as we speak! That was the first broken promise we saw in the term of this parliament, and of course it was the National Party which was the guilty party.

It is interesting that only this week we saw evidence of more National Party trickery, when it was revealed that Senator Julian McGauran, who held on to his preselection by one vote, was inhabiting subsidised office space designed for start-up small businesses in Ballarat. To her credit, the Minister for Small Business and Tourism very quickly nipped this little rort in the bud after Labor’s small business shadow minister, the member for Watson, Tony Burke, raised the matter in question time on Monday.

Let me make a prediction about another promise to be broken by the National Party under its current leadership: The Nationals will cave in on the issue of the sale of the rest of Telstra, to the detriment of all Australians, despite their breast-beating on this issue. As we all know, empty vessels make the most noise.

While on the subject of telecommunications services, may I say that we all know that they are woefully inadequate not only in the country but also in parts of urban Australia. I find it incredible that in the year 2005 we have had the situation in my urban electorate of Swan where the Belmont Forum Shopping Centre—located close to central Perth and on the doorstep of Perth’s domestic and international airports—was unable to access broadband. It was only a concerted campaign by the local council, local businesses and my office which saw Telstra finally respond. While Telstra talks up broadband services and encourages people to get connected, at the same time Telstra has failed dismally to ensure that well-established suburbs and areas are in fact able to use this service. Quite clearly, you do not have to live in country Australia to receive Third World telecommunications services.

As we look at the government’s agenda for this term in parliament, it is imperative that, rather than spend its efforts selling Telstra, the government instead devote its attention to improving telecommunications and making sure that they are available to those who are currently denied access to fundamental services such as broadband. I will keep reminding the
government about the need to improve telecommunications services in my electorate, because, frankly, it is appalling that in this day and age broadband is not universally available. I do not need to tell members of the House of the significant competitive disadvantage that the lack of this facility imposes on businesses in my electorate or of the educational and recreational activities which are denied.

The priority domestic policy objectives for this term of parliament are to repair the economic situation which has been squandered by the government; to repair our infrastructure, including telecommunications and transport; and, most importantly, to repair our social infrastructure such as our health services, hospitals, aged care facilities and schools. I am humbled to have been elected to parliament again as a representative for the people of Swan. I commit to the hard work and tireless effort that they deserve in their member of federal parliament.

Mr JOHN COBB (Parkes—Parliamentary Secretary to the Minister for Transport and Regional Services) (5.10 p.m.)—On 16 November, the Governor-General clearly outlined the vision that this government has for the next three years of government. That vision included all Australians, quite obviously, and what he outlined was overwhelmingly supported by Australians right around the country. I would like to concentrate on one of the initiatives articulated by the Governor-General on that day—that is, this government’s, and certainly the National Party’s, unfaltering support for regional Australia and for the people who call regional Australia home, which is certainly a very significant proportion of Australians. They fight above their weight in terms of productivity and in contributing to Australia’s welfare both at home and in export terms. His Excellency said in part:

The government will press on with providing better services in regional Australia. It will establish two additional sustainable regions for special government assistance, and will provide banking services at an extra 266 licensed post offices.

The government will provide increased support to cultural activity in regional and remote Australia as a means of strengthening community cohesion, well-being and development.

I am proud to say that I was born, grew up and still live in country Australia—in western New South Wales, in fact. I am very proud of the fact that the federal electorate of Parkes has seen fit to elect me twice to represent them. That area of New South Wales, like most of regional Australia, was totally neglected in the 13 years of the last federal Labor government. It is now being totally neglected by a state Labor government in its third term. The current New South Wales Labor government and the previous federal Labor government are carrying on a history—a tradition, if you like—of total neglect and contempt by Labor governments. They have cut back on services and on funding, and I cannot think of a single targeted country initiative by the last federal Labor government. Perhaps there was one, but it certainly does not come to mind and its effectiveness would have to be looked at to be believed. This government will never, ever treat country Australia like that, and it certainly does not treat it like that now.

Quite often in recent times the National Party, in particular, has been accused of rorting things on behalf of its constituency. In actual fact, most of the issues brought up in parliament in the last couple of weeks have involved outer metropolitan seats, and not one bit of substantial evidence has been produced to show that the National Party has done anything but try to help sections of the community deal with their problems. Certainly, most of the issues brought up have revolved around disadvantaged communities and the government trying to provide
jobs where they do not exist, trying to provide health services where they are lacking or simply trying to provide infrastructure through probably one of the best programs that any government has ever come up with that is designed not only for regional Australia but also for outer metropolitan areas.

I would like to talk about how some of those projects in particular have helped in my own seat of Parkes. I can think of quite a lot. In conjunction with the local council, I myself fought for and delivered the funding for a new medical centre for the town of Cobar. Cobar is some 460 kilometres from Broken Hill, which is the only medical centre to the west of it, and 300 kilometres from Dubbo, which is the first medical centre of any consequence to the east of it. I do not know how many thousands of kilometres you would have to go north or south of Cobar to find serious medical facilities. We have joined with the Cobar council to provide a $600,000 medical centre. What a terrible thing to do! We have an opposition screaming and bellowing. I wonder if they would like to stand in the middle of the main street of Cobar—a very go-ahead mining town, with a very young population, with the youngest average age of any town in the whole one-third of New South Wales which is the electorate of Parkes—and tell them that they do not deserve a medical centre when they are 3½ hours from help one way and some five hours the other way. Perhaps the Leader of the Opposition would like to stand in the town of Cobar and tell people there that they should not have that medical centre and that the Commonwealth should not help them put one up.

Very recently, we also provided pretty much the same thing for Narromine. They too are putting in a medical centre to try to relieve the incredible push in Dubbo. Dubbo is not very far away, but Dubbo doctors are booked up; they cannot take more clientele. We are easing that by increasing the ability of the town of Narromine to deal with people—probably people from Dubbo as well as from Narromine’s own surrounding district.

I mention those two projects specifically because they are a great example of what we are attempting to do, and what we have had to do, to relieve the health situation in country New South Wales. We also have the More Doctors, Better Services program. We have shown regional Australia that we are not just talking about helping them; we are actually doing it. There are a lot of ways in which that is happening.

Of the 10 initial rural clinical schools scattered around Australia, one is in Dubbo. I am very proud to say that that rural clinical school is one of the best. We have now been in government for some nine years. It takes something like eight or nine years to train a doctor. In the next few years a lot of the initiatives that this government has put into place will start to bear fruit. We have now put nearly $1 billion into trying to do something about the rural doctor shortage and the rural nurse shortage. Soon that is going to bear fruit. The rural clinical school in Dubbo gives the opportunity for people at medical schools—particularly in Sydney, because it is linked to the University of Sydney—to come out and see what is to be gained. They can get a huge sense of community assistance and what it is like to practise in country Australia. Most of these young students are absolutely blown away by the fact that they go to an area where people do not go to a doctor unless they need to and where, by and large, people give them an incredible sense of getting something back from what they are doing.

For some three years now, Dubbo has had a branch of Charles Sturt University. By and large, it concentrates on the educational system. We train nurses there; we train teachers there. There are various other curricula as well, but they are the focus. Last year Dubbo was very
proud to have graduation of its first batch of fully trained nurses. The university was a coalition government initiative. The incredible advantage of having it in Dubbo itself is that kids do not have to travel to Sydney, Newcastle or wherever. It is much cheaper for them to remain in the region. In a town the size of Dubbo, they often have families and friends. The advantage of being able to train country kids in their own area is incredible. The CSU nursing course has expanded way beyond what anyone initially dreamed of. We were very proud to have our first mob of people graduate from that facility last year in nursing.

I have given a few examples of the incredible steps forward, particularly in health, that regional Australia has been able to make as a result of this coalition government’s initiatives. I am about to get on to Regional Partnerships and various other programs. A lot of that came about because, when the Deputy Prime Minister, John Anderson, first became a member of cabinet in 1996 in the Howard government, he called a summit of regional Australia here in Canberra. That was a rural summit, because he was the minister for primary industries. About six years ago, when he became the Minister for Transport and Regional Services, he called a summit of country Australians. I was a participant in both those summits as someone closely involved with agri-politics in those days. What the government got out of that was what regional Australia itself saw that it needed. Regional Partnerships, Regional Solutions, Networking the Nation and a plethora of other things we are now doing for country Australians are a result of what the government was told by the participants who came to Canberra at that time. We said what had to be done to help us. The measures are working. We are very proud of them and this government is very proud of them. It would surprise members opposite to know that they have a very good record of applying for Regional Partnerships funds and getting them. They have a better record—I think two per cent higher—than coalition members have. The activities have been an enormous boon for everybody and have been incredibly successful. I would be very amused to see members of the Labor Party go into their electorates and say, ‘Would you like to give it back? We don’t like this program.’ I would love to see that happen.

Agriculture and mining are the most productive sectors of Australia; they are enormous producers of export dollars. Let me give an example of what we have done for these sectors and how quickly we respond to their problems. The Prime Minister and the Deputy Prime Minister came to Cobar two years ago, when the current drought was really biting. A result of that visit was that we fast-tracked exceptional circumstances funding. A month after the visit, after seeing the situation, the Prime Minister announced that provisionally EC relief would come in. In the case of New South Wales, that allowed every farmer to apply for household support if he met the criteria of the time—whether EC had been declared in his particular region or not.

Historically, Labor have shown a contempt, a lack of regard, for what regional Australia really needs to keep producing: rural exports, which are about one-quarter of our total exports, and mining exports, which are about double that. They really do not want to know these areas exist. The proof of that lies in the recent attacks on programs that have been absolutely essential to getting jobs back, getting health facilities back and restructuring where industries no longer exist. In my electorate of Parkes, those programs have given enormous impetus to people; they have got people to go forward again. The opposition is embarrassed because Regional Partnerships, Networking the Nation, Regional Solutions and similar programs have
shown them up totally, both at a state level and at a federal level. They have shown that they do not give a damn. They never have; they do not think it is in their political interests to spend a cent.

If you look around the state governments of Australia, you will see, especially in the area of rural pursuits, that state governments do not want to know. They are pulling back. Warren Truss, our Minister for Agriculture, Fisheries and Forestry, has run into a blank wall when trying to get the state governments to do anything about drought; they do not want to know about it. They think that household support is a wonderful thing but business support is not. They contribute not one cent to household support, but the little they put into drought support is in the area of business—an area they think is no longer necessary. In my electorate of Parkes, if we were not putting in household and business support where people qualify, then in some areas we would have an exodus from what has been historically some of the better farmland in Australia.

I will go on and point out what we have been able to do in an area like mine in the last 18 months just through Regional Partnerships. We do not just look at where the votes are; we actually put money where people are, where regions are and with a partnership. That is what this program is: it is about a partnership. In the case of the people of Milparinka, near Tibooburra, in the far north-western corner of New South Wales, near where the three states meet, in what is called Cameron’s Corner, we gave $46,500 to one of the more historical sites in outback New South Wales: the Milparinka barracks development. Recently we helped the Forbes saleyards, giving them almost $700,000 for a new development, which as the major selling centre for that region is incredibly important not just to the town of Forbes but to the whole Central West.

I mentioned that the Cobar medical clinic and the Narromine medical clinic both got $300,000 to go along with what their own shire councils were endeavouring to do: to make sure that there was a permanent place with permanent records in those towns. As the Prime Minister announced through the election period, these council-controlled, council-run or council-owned medical centres are now able to come to the federal government to get data collection services. They will have permanent records of everything the doctor in the town does while he is there. These records will help people to know that, in the future, they are safeguarded locally in the area.

One of the better projects we have funded recently was the West Wyalong preschool co-location, with $217,000. I would like to see members opposite—particularly the member for Wills and the member for Brand, who have been so volatile lately—stand in West Wyalong, the town which is growing the fastest in my whole electorate because of gold development and the Frank Pace farms development, and tell everybody there that the parents do not need any child-minding facilities and that the federal government should not be providing funding. I would love to see the member for Brand and the member for Wills do that. In fact, I will take them there, if they want to go there, and have them tell the town of West Wyalong that child-minding facilities are all rubbish and are not needed.

Menindee and Wilcannia, two towns without banks, just recently got regional transaction centres. I would be absolutely delighted if the member for Brand were to come to Menindee and Wilcannia, areas with a high Indigenous proportion of the population who are very keen to have the opportunity to live as the rest of us and to have the banking facilities that most of
us take for granted—and I am sure that in the member for Brand’s electorate they do take them for granted. I would like to see the member for Wills come out and tell the people of Wilcannia and the people of Menindee that they are wasting everybody’s time and are not worthy of help from the federal government.

No Labor governments—past or present, state, federal or otherwise—have ever made any attempt to really disguise the fact that they see country Australia, who are responsible for most of the mining and all of the agricultural production in this country, as superfluous to requirements—certainly superfluous to their political requirements. Just after this election, Labor’s reaction seemed to be the same as it was after the 2001 election, when their main cry seemed to be: ‘We was robbed.’ They were not robbed then, and they are not robbed now. What has happened is that they have been judged, very methodically, by the Australian people and by country people in particular, as being uncaring.

(The time expired)

Mr KERR (Denison) (5.30 p.m.)—This morning I, together with a number of parliamentary colleagues from all sides of this chamber, attended a briefing provided by Professor Webster, the Chair of the Alcohol Education and Rehabilitation Foundation. That briefing was extremely illuminating, and I want to take this opportunity to put on record today some of the findings of recent survey work undertaken by the foundation, to suggest to this parliament that we need to get behind the foundation’s request for ongoing funding and to look at some of the suggestions they have made for changes to tax laws and other approaches to our regulation of alcohol.

I refer to the executive summary of the Alcohol Education and Rehabilitation Foundation. It points out that alcohol consumption is part of the Australian way of life. Whether we like it or not, getting drunk is part of drinking. The foundation asks: how do we propose to communicate and educate about the dangers of excessive drinking, particularly when many of our so-called heroes and many of those in the public eye can be such poor examples of responsible drinking? The executive summary points out that fortunately the research shows that the audience can be influenced by those who know or have first-hand experience of the effects of excessive alcohol consumption, whether they be recovering alcoholics, health professionals or those who have suffered on their own account or through others’ behaviour. The impact of behaviour is the essential hook with which attention and potential for action is to be gained.

Research shows that it is evident that binge-drinking, excessive consumption, getting drunk—whatever it is called—is more prevalent in the younger age groups, and very much so amongst those underage. Excessive drinking is not exclusively a young person’s issue, even though it is felt that more social problems come from younger age groups. All age groups exhibit excessive drinking behaviours, and all age groups are therefore targets for communication to influence them.

The foundation also says that research shows that it is clear that Australians believe that they can tell what is acceptable and what is excessive in terms of the location of drinking and the quantity of drinking. What they suffer by not knowing well enough is the impact on themselves and others of crossing the line between the two. They think they know, but their self-reported behaviour—which must be generally taken to be an understatement of the likely reality—speaks otherwise of their true knowledge.

That information is from the short executive summary of the research. Now let me mention something about the foundation. The Alcohol Education and Rehabilitation Foundation is an...
independent public company that was established in 2001 and funded from a grant from the
Australian government of $115 million, collected from excise on draft beer. That was one of
the happy accidents of a finding that those particular excises were collected unlawfully; the
funds were returned in this manner and used for a uniquely beneficial public purpose. Since
that time, the foundation has been engaged in examining patterns of consumption and looking
at Australia’s drinking culture and ways in which the very large costs that are associated with
the consumption of alcohol can be reduced so that the harm associated with the ill-judged use
of alcohol can be minimised.

There are a large number of misconceptions about the use of alcohol. One-third of respon-
dents to the foundation’s commissioned research said that it does not matter how much alco-
hol you drink as long as you do not drive. Nearly half believed that getting drunk was an ac-
ceptable part of the Australian way of life. One in three believed that binge drinking is an ac-
ceptable activity and it only becomes a problem if you do it all the time. One in five believed
that binge drinking is okay as long as you do not embarrass yourself. One third said that
drinking to excess is an acceptable activity at home or on special occasions such as birthdays
and anniversaries. Over one-fifth felt that you should not tell another person how much is too
much when it comes to drinking. All that reinforces the foundation’s executive summary,
which says:

Whilst we understand what is acceptable and unacceptable, we have an inability to recognise the harms
to ourselves and others that occur when the line between responsible and irresponsible drinking is
crossed.

And what are the costs of alcohol misuse? The foundation has set out some pretty damning
statistics. Excessive use of alcohol is a major factor in 30 per cent of the deaths from car acci-
dents, 44 per cent of the deaths from fire, 34 per cent of deaths from falls and drownings, half
of all deaths from assaults, 16 per cent of child abuse deaths, 23 per cent of deaths from men-
tal health disorders, 11 per cent of cardiovascular deaths, 23 per cent of deaths from liver cir-
rhosis, 35 per cent of industrial accidents, 11 per cent of industrial deaths and 12 per cent of
suicides. Alcohol misuse costs Australia at least $7.5 billion a year. Nearly 3,500 Australians
die every year to alcohol misuse.

One of the surprising conclusions in the budget submission of the foundation is, I assume,
an accidental downside—I cannot imagine it was an intended downside—of the implementa-
tion of the government’s Tough on Drugs strategy. I have been critical of the Tough on Drugs
strategy because of the way in which it has shifted focus from harm minimisation to strategies
designed around prohibition, particularly given the ineffectualness of prohibition as a strat-

gy—the way it advantages and, in fact, creates a market to be taken advantage of by organ-
ised crime. But there is another downside of the Tough on Drugs strategy that came about.
There has been a substantial fall in the number of Australians who see alcohol as a drug of
significance since it was introduced. In 1995, 38 per cent of Australians named alcohol as the
drug they thought of when people talked about a drug problem. By 1998, that figure had de-
clined to 14 per cent, and in 2002 less than eight per cent of Australians named alcohol as a
top of the mind response when asked what they thought of when people talked about a drug
problem.

That is pretty shocking, because, if we look at all the harms associated with drug use in
Australia, two overwhelmingly top the list: tobacco, for which there is no safe use—used as
directed it will cause harm—and alcohol. Whilst there is safety in moderate use of alcohol, the statistics that I have indicated show that people do not necessarily know when the line of safe alcohol use is crossed through binge drinking and misuse, so they can cause considerable harm to themselves and others. Those two drugs, which are lawfully available, are overwhelmingly responsible for the greatest number of harms associated with drug use in this country. Hospital admissions and deaths caused by these two drugs dwarf to almost insignificance the harms associated with using other drugs. It is a very regrettable thing that people have such a lessened sense of the reality of those harms because of a misdirected strategy that ignored the consequences and costs of drug use in favour of demonising them and emphasising, almost exclusively, the policing and prohibition of illicit drugs. There needs to be a balance and the balance needs to be redressed.

Some things could redress the balance, and they include making certain that the work of the Alcohol Education and Rehabilitation Foundation is funded into the future. Whilst there was a significant initial grant to the foundation, the pattern of assistance that has been given by governments over the years to organisations associated with drug rehabilitation and education has been sporadic. Grants are given and then, over time, funding is not continued, the work of those organisations becomes strained, and we lose the focus and effectiveness of the organisations.

The submission made by Professor Webster, one of Australia’s leading writers, thinkers and academics in relation to the consequences of drug misuse in this country, has focused on requesting the government to make continuing funding available to the foundation through a public fund which would have to be established to continue the work after the expenditure occasioned over the initial period. The initial funding expires in 2005, and beyond 30 June 2005 the public fund would be the only vehicle by which the foundation would be able to continue to deliver and sustain numerous programs which otherwise would have little or no chance of receiving funding from other sources.

It is a matter of regret, but acknowledged frankly by Professor Webster this morning, that, although when approached a large number of Australia’s major companies show sympathy for the work of the foundation, broadly they point to the alcohol industry and say it should be funding the initiative, or that the Commonwealth through the revenue derived from alcohol excises should be doing that. The capacity to draw on the private benevolence of the corporate sector is limited. If we are going to have substantial continuation of the foundation’s work, it will require a substantial contribution, but a relatively modest investment, of about 10 per cent of the excise collected on alcohol consumed by underage drinkers, or 0.2 per cent of the price of each alcoholic drink consumed annually, to go into the work of the foundation.

There are some other initiatives which are not mentioned in the budget submission but which came through in the discussion that we had this morning. It was quite illuminating that members from all sides of the parliamentary divide took quite an active part in that short discussion. One of the key issues to come out in that discussion—and I think this is material in today’s debate on the address-in-reply in the way we face up to ongoing decisions on budget making—was the question of how we should tax alcoholic products. Professor Webster said that market signals are a very effective strategy in affecting consumer choice. Currently, those market signals are directing drinkers, in particular young drinkers, towards products that are
more dangerous, not less dangerous. The reason for that is we tax alcoholic beverages on an ad valorem basis.

Although I am oversimplifying it, putting it crudely, the amount of revenue derived through taxation on alcoholic beverages depends on the value of the product to the consumer. This means that products with high levels of alcohol but low prices are taxed minimally, whereas high-volume products which may have less alcohol are taxed at a much higher rate. That sends a perverse and contrary message. For example, cask wine is taxed very substantially less than products which have a higher market position. There is therefore an emphasis, particularly with the sorts of drinks that young people consume, to make them more alcoholically potent but to keep the unit price down to minimise tax. That encourages irresponsible drinking because the price signals—the market signals—are entirely wrong.

We could collect the same level of excise but redistribute the way in which we collect our tax and probably provide some significant benefit to the premium wine producers in the course of doing so as an incidental benefit—hardly something I am considering at this point. The real focus would be using the market signal on pricing as an effective way of redirecting consumer use, particularly amongst those starting alcohol consumption. It is crazy to make a product with a high-alcohol content cheaper through our taxation mechanism than a product with a lesser alcohol content. Those products should be privileged through the taxation system. It is a very important initiative. I am sure that the government has heard it before, but it should hear it again and again, because the sorts of figures that have been drawn to our attention are simply too clear in their impact for us to turn our backs.

The other point that was raised was around two instances where we need to encourage social organisations to change their behaviour. They were pretty striking examples. I think one was raised by my colleague the member for Lyons, who pointed out that many social clubs—football clubs and the like—depend for their revenues on running a bar. Professor Webster pointed to work that was being undertaken in some of the mainland states to encourage effective behavioural change in sporting clubs, particularly where otherwise blokish behaviour is encouraged, to shift that but without cost to the clubs, so that they actually change the way they serve alcohol and yet at the same time continue to be able to get revenue through their social side. That I thought was very useful because a lot of younger people—younger men in particular—abuse alcohol in that context.

The other thing that was drawn to my attention—and I regret that I cannot remember the name of the member who raised it, but it was a very telling point—was that companies producing alcohol appear to make it available either free or at a very substantially discounted rate at orientation week when universities are establishing clubs and the like and encouraging people to join. That point was raised because the implicit idea is that the thing to do at university is to join a club and get pissed—that it is part of the normal rite of passage that you should get a lot of free grog in the process and that this is a pretty decent thing to do. That is a sad and outdated way to approach recruitment for clubs and societies. One of the colleagues who was present also made the point that political parties themselves have been guilty of this form of recruitment. I do not want to make partisan comments here, but I would hope that if my own party has ever done it we think again. I know other parties have done it and I hope they think again.
These kinds of ways of shifting our approval of the kind of blooding ceremonies or coming-of-age ceremonies that currently highlight the social acceptability of the excessive use of alcohol need to be addressed, and we need to make certain that the alcohol industry develops a code of conduct that does not encourage them to supply the product in those circumstances. Those are the remarks that I would like to make.

In conclusion, I urge the government to look favourably on the funding submission that has been put forward. I urge the government and my own party to reconsider the way in which we advocate that tax be imposed on alcoholic beverages and I ask the government to look at that issue afresh. Finally, I urge all of us to look at the way we, as individual citizens, members of our parties and members of clubs and organisations, encourage the responsible use of alcohol. The pleasurable and thoughtful use of alcohol is something that many of us enjoy, but we are far too free and careless on occasions and do not consider the harms that are associated with it. (Time expired)

**Mrs BRONWYN BISHOP** (Mackellar) (5.50 p.m.)—In rising to contribute to the address-in-reply debate, I would like to begin by thanking the constituents of my electorate of Mackellar for re-electing me to represent them in this place. They do me a great honour. In return I accept the responsibility that I am the servant of the people of Mackellar and will endeavour at all times to work with them to achieve better outcomes for them. I will begin by talking about one of the issues that is very important in my electorate: our local hospital, the Mona Vale hospital. The Mona Vale hospital has been threatened by the state government, initially with closure. On our peninsula, which goes from Manly to Palm Beach, we have two hospitals: Manly hospital in the seat of Warringah, held by Mr Abbott; and Mona Vale hospital, at the other end of the peninsula, in Mackellar.

There was a deliberate push by the state government to have both hospitals closed and allegedly for a new hospital to be built, of course without any commitment of money. It is a foolish proposition. It would place the lives of my electors at risk if we did not have a hospital in the north of the peninsula. So a group of high-minded people came together and formed the Save Mona Vale Hospital Committee. Headed by Mr Parry Thomas, it is a group of people that meets very regularly and which I support very strongly. At the first rally we had, which took place in the electorate, some 6,000 to 7,000 people turned out to hear various speeches, in which I took part, about why we needed our hospital.

Subsequently, we got a tacit agreement from the state government that they would not close Mona Vale hospital, but there was still no money. Other hospitals are getting millions of dollars; we get none. Under the Medicare agreements, the federal government contributes 47c of every dollar that the New South Wales government spends on hospitals, yet Mona Vale hospital gets none of that federal money. I sincerely hope that, when we next sign those agreements with the state governments, we no longer pay that money to the state governments, where they skim it off or pay it out in a malapportioned way, but that we pay a fair share directly to each of the hospitals so that they can have predictable budgets and there can be a fair sharing of federal money. I would also like to see boards returned to hospitals so that they are run by people of the community who are taking care of their community, not in the way that we have now been pushed, which is into a much larger regional group where the person who administers it is resident in Gosford.
We have had several rallies. On each occasion 3,000 people came. We had one very recently because, despite the fact that we were told by the state government that they would not close our hospital, they said they were going to close the intensive care unit and that anyone who needed intensive care could be taken by ambulance from Mona Vale to Manly, a considerable distance with huge amounts of traffic. It is a ridiculous proposition. The response of doctors was to say that they would no longer operate at Mona Vale hospital. People who were booked in for maternity were told by their obstetricians that they would not carry out the birth at that hospital without an intensive care unit as a backup.

What has happened now is that we are to have a committee inquiry in the state parliament to look at whether or not we should keep our intensive care unit, which is essential if we are to have a properly functioning hospital. The people in my electorate are pretty good: they turn out, they protest and they man shopping centres and keep people informed. But they also put their money where their mouths are. Last year I hosted a dinner to raise funds for the hospital. We raised $87,516.50 on that evening, and we did it because people pledged money. We put out a list of equipment that was needed such as a non-intrusive ventilator and a whole lot of equipment of a smaller nature—trolleys and tables necessary in order for staff to carry out proper emergency functions. We are hopeful that the emergency ward will be extended. The hospital is looking at taking money from forward capital works in its own budget to extend the emergency ward where this equipment will be used.

The community is prepared to make a contribution. The combined hospital auxiliaries continue to raise money. They are the people dressed in pink in the hospital who man the cafeteria and keep patients supplied with the things that they need. Yet the hospital administration says, ‘We do not think we need you volunteers anymore. We think we might put in commercial operations like SUBWAY or Gloria Jeans.’ The twofold function of fundraising and community interactivity counts for nothing to this administration that cares little for the people in my electorate. That is an ongoing issue which will continue; it is one where we come together at the local council and state and federal government levels. We have had the latest proposal foisted upon us and one of our council members has been sacked because they were not nice to each other—on that basis you ought to be able to sack the New South Wales government. However, we have now had imposed upon us an administrator who has been put there until 2008. We have examples of corruption in other councils and yet nothing occurs to stop it. This gung-ho administrator wants to put a hospital in the middle of Dee Why and knock down the council chambers and acquire land from the Salvation Army to do it. It is a nonsense proposal which we are fighting against because we know it would mean the death of our hospital in the north of the peninsula.

Working together to bring about good outcomes in local issues is something that is enormously important in my electorate. Like many other electorates, we have a population which is ageing at a higher rate than the national trend. We have quite a lot of aged care facilities, all of which need access to a hospital. We have a huge influx of visitors throughout the summer season who want to use our beaches. Our surf lifesaving clubs are always engaged in the business of saving lives and they do fantastic job. They know we need the hospital, because sometimes when you pull somebody in from the sea they have to be taken to the hospital.

In this environment the question of what needs to be done in developing policy for an ageing population is one that is very important to me, and it was a question that I began looking
at in 1999 when I was the Minister for Aged Care and was responsible for the Year of Older Persons. I commissioned research from Access Economics to look at the ramifications in economic terms of the policies we currently have in place, what is needed to supply pensions and services that people need as they grow older, and what is needed to keep productivity in our nation strong. The answer is that we can do it all. We can keep our pensions. We can provide our health care. We can provide the services that an ageing population requires, so long as we keep the economy strong and we keep growth strong.

The OECD likes the way we do things, because we pay our pension not to replace income—as occurs on the Continent, in the US and the United Kingdom as a percentage of pre-retirement income—but to relieve poverty. We pay it out of consolidated revenue, and we can afford it. Those countries where projections of 37½ or 40 years of work will simply not produce enough contributions to fund the pensions they have to pay have serious problems. All the OECD reports show that we have the best model: a superannuation component that has the backup of a pension.

There is another group that we must seriously look at: young people in their twenties and thirties who have stayed in education longer. When I went to university, I think about five per cent of school leavers went there. Now it is 30 per cent. People are in education longer, they stay at home longer, they partner later and they are postponing having a family. I am delighted to say that the House of Representatives Standing Committee on Family and Human Services, which I chair, has adopted a terms of reference to inquire into the balance of work and family and to look at the issues that are causing people to postpone having families and to have fewer children. This has resulted in our birth rate dropping to only 1.75 births per female—that is, we are not replacing ourselves.

We will continue to grow as a nation because of our migration policy. By the year 2050, we should get to somewhere around 24½ million people. We are now putting pressure on young people in their twenties and thirties. Jobs are not for life; they are not secure, and young people will change jobs very often. They look at the history of their parents, with divorce being a phenomenon since the Family Law Act was introduced during the Whitlam years, and the impact of the Child Support Agency. If they are in education, they will have HECS repayments to make. They see that, to buy a house, there will be large mortgage repayments. They see all that as we say to them: ‘Please get married. Please have children. Please live in contentment and harmony and produce wonderful families,’ but we have not seriously looked at the sort of help we need to give them.

Perhaps the only thing that we give at the moment is some relief for child care in institutions where you have to race to put the child in and you have to race to pick it up. Sometimes the cream is made by those child-care centres from the late fees that have to be paid if you are a minute, five minutes or 10 minutes late. It is really a dictum that says, ‘Yes, you can do it all but you have to be the supermum and dad.’ We need our young women to remain in the work force. We have invested a lot in their education and, as a nation, we need a return on that investment. Young women need to keep their skills because there is about a one in two chance of their heading up their own household after their own relationship or family breakup. But we need that participation rate to make the economy grow and we need to value their contribution. We need to do it without saying you have to be a supermum to do it.
I looked at the ABS statistics to see the value in the black economy of jobs that are done in and around the home—for example cleaning, gardening, looking after children, looking after aged parents and looking after disabled people—and I found that the value of those black economy jobs is around $6 billion. It would be a better policy arrangement to create new jobs—taxpaying jobs, proper jobs—by taking them out of the black economy and giving relief to people who are creating families.

If we allowed a tax deduction to the householder for the wages paid in respect of those jobs—cleaning, gardening and looking after children, aged parents or disabled people in your care—with a tax file number and a small withholding tax, we would create a system of benefit to our community as a whole. I look at grandparents who are becoming de facto parents of their own grandchildren because that is the only way parents can afford to be in the workforce and meet their mortgage repayments and other expenses they have incurred. These grandparents say that they have done their bit and they would like to enjoy their retirement or they would like to be in part-time work, but they have become the de facto parents of their grandchildren.

In considering this proposal I can see people paying tax for the first time. When I address a large group and ask, ‘Who knows somebody who pays somebody to do these tasks?’ a forest of hands goes up. If we had such a policy, it would make a real and fundamental difference to the family situations of young people in their 20s and 30s who can be part of the workforce, part of the productivity of this great nation, and part of creating the new generations that must come along. When I look around the world I see one country which has introduced policies along these lines and that country is France. There is very good evidence of how it works and I seriously hope that it will be part of the agenda for taxation reform and for considering the needs of the community as a whole when we consider the corollary of what an ageing population means. Yes, it means we all live longer and healthier lives, but it also means that we are placing a burden on the younger people, and we need to consider that seriously.

I am looking forward to the inquiry. I will go to the inquiry with those views but I know that we will discover many other things. I am looking forward to receiving submissions from people who have felt the change in the way our demographics are now comprised, from people who have been under stress and from people who feel that they cannot face bringing children into the world. It is interesting that people who do have children are by and large having them in similar numbers to previous generations, but more women are not having children now than for many decades. Those are the problems that must be addressed seriously.

I cannot help but finish by making a couple of remarks in response to points made by the member for Denison. I am always worried when an attempt is made to say that alcohol and tobacco are worse than illicit drugs. That is an argument that is used by those who want to see illicit drugs legalised. They say they are all the same and that, since we harness tobacco and alcohol by regulation, therefore we can legalise other drugs and govern them by regulation. We have to take a serious look at the messages we are sending out when we say marijuana use is acceptable, when people on the ABC talk about ‘recreational drugs’; or when the absolutely impossible suggestion was made by somebody that so-called ‘party drugs’—an appalling term—that destroy people’s brains should have their ingredients checked by the police. The debate about the problem with illicit drugs in our community has become so bizarre. An excellent report was brought down by the family and human services committee which existed...
prior to the current committee to which the government has yet to respond. The issue needs ongoing surveillance and rigour to ensure that our Tough on Drugs policy is not just a headline but is backed up in reality with strong policies.

Mr Rudd (Griffith) (6.10 p.m.)—On Australia Day 2005, the Griffith community celebrated the sixth annual Griffith Australia Day Awards. The Griffith Australia Day Awards began in 1999, and since then more than 150 of Brisbane’s Southside residents have been recognised for their community work. The 2005 awards paid tribute to 47 Southside residents for their outstanding contribution to the Southside community. Volunteers were recognised for their services to organisations as diverse as the Elizabethan Friendship Club, St Vincent de Paul, Meals on Wheels, sporting groups and others too numerous to mention.

Award recipients were determined by the Griffith Australia Day Awards Committee. The committee is chaired by Mr Robert Chester-Master, a pillar of our Southside community and a veteran of the Royal Australian Air Force who saw active service over the skies of Europe. He was shot down over Belgium and recently returned to the village in Belgium which looked after him and gave him sanctuary during those dark days of World War II. Mr Chester-Master is joined on the committee by Mr Terry Benge and Ms Leanne McGregor. Mr Benge and Ms McGregor have also been actively involved in numerous organisations on Brisbane’s Southside. On behalf of the Southside community, I would like to thank Mr Chester-Master, Mr Benge and Ms McGregor for their enormous contribution to the success of the Griffith Australia Day Committee. Their commitment to the awards is without parallel and I am honoured by the opportunity to work with them. I also wish to place on record the honour I have had in the past in working with Mr Bill Appleby, who chaired this committee until recently. Bill Appleby has been a pillar of our community on Brisbane’s Southside over many decades.

Volunteers play a vital role in our community and in communities across our country. They provide the compassion and human face of many of the services we take for granted. On Brisbane’s Southside, the Griffith Australia Day Awards allow us an opportunity to pause and say thank you for their hard work. It goes without question that without these volunteers our community would be a far harsher and colder place. Were there no volunteers, it would also cost government enormously to deliver the services which they deliver on a volunteer basis. It is therefore my honour to place on the parliamentary record the efforts of our Griffith Australia Day Award recipients for 2005.

Helena Duncan is a single mother of two daughters with intellectual disabilities. Despite this, Helena volunteers six hours a day, five days a week at Work Solutions Wesley Mission. Helena’s work there involves assisting and encouraging the employees at the centre who have various disabilities to stay motivated and to stay on task.

Gerry Hill is President of the Elizabethan Friendship Club at St John Fisher Hall. Gerry has made the friendship club a successful voluntary group where mature age citizens gather for cards, bowls, entertainment and fundraising. Gerry’s tireless efforts have ensured that elderly folk in the community have company, outings and regular activities.

Kevin Rowen is President of the Annerley St Vincent De Paul Conference. Kevin works in and leads a team of men and women who respond daily to the needs of refugees and migrants, as well as the more general needs of struggling families. Kevin is well regarded for the patience and quiet endurance he displays in responding to people’s needs.
I turn to Peter Bastow. Described by his nominator as having a ‘very compassionate nature’, Peter has been a community life program volunteer for the last five years. His work helps to enhance the wellbeing and quality of life for those lonely, frail aged, isolated or disabled members of our community.

Carol Gibson has a 25-year history of volunteering with the Balmoral Uniting Community Centre. Carol is currently the team leader of the physiotherapy group, assisting frail aged and socially isolated people. Carol is also the Vice-Chair of the Balmoral Uniting Community Centre Management Committee, which manages the welfare and decision making of over 150 clients and 70 volunteers. On top of all this, Carol was elected president of an adult fellowship group which raises funds for the church.

Mike Hall is a volunteer with the Balmoral Uniting Community Centre. As a volunteer in the transport options program, Mike escorts the frail aged and disabled with limited family support to local shopping and banking facilities. Mike has supported a number of clients over the years and is currently supporting five people on a weekly basis. The work Mike performs provides isolated members of the community with a link to the outside world.

Robyn Sparkman received an award for her voluntary work with the Balmoral Uniting Community Centre as well. Described by her nominator as ‘compassionate, reliable, willing, conscientious and diligent’, Robyn is involved in many centre based programs. In particular, she volunteers in the Friday friendly group, bring her knowledge of craft and drama to intellectually disabled, frail and socially isolated individuals.

Margaret and Roland Busby have been actively involved in community service all their lives. Margaret and Roland are currently heavily involved with Holland Park Meals on Wheels.

Norma Nord has accumulated a history of community service for most of her long and generous life. Norma has volunteered her time and skills to a variety of different causes, including politics, the environment and founding and operating the Women’s Arts Centre.

Phyllis Ralston’s volunteer work at the Anglican Church of the Annunciation at Camp Hill spans in excess of 50 years. She has also volunteered her time and services to the Red Cross room at the Princess Alexandra Hospital, her local Neighbourhood Watch and the Lioness Club.

Margaret Flannery received a Griffith Australia Day Award in recognition of 11 years of volunteer work with her local Neighbourhood Watch. During this time, Margaret has been both secretary and treasurer of the group. Renowned for putting the needs of others before her own, Margaret has expended a lot of time and energy towards making her local Neighbourhood Watch group a success.

Gary and Joanne Smith have both been nominated for their unflagging assistance with the Southern Districts Basketball Association. Gary and Joanne coach eight club teams between them, as well as each managing a representative team. Every Saturday they host a fundraising barbecue to support the representative teams. Gary and Joanne regularly participate in working bees at the stadium, collecting rubbish, painting, paving and planting trees.

Lorrie O’Connor has been nominated by the Academy for Chaplaincy and Community Ministries for her voluntary work in the office. Lorrie works long hours assisting lecturers and
students alike. The support Lorrie offers chaplaincy students contributes to their ability to bring comfort, compassion and empathy to patients.

James Harrison received his award for volunteer work in a number of areas. Jim has 15 years service with the Carina branch of Meals on Wheels, six of those served as president. Jim has been actively engaged as an elder and Sunday school teacher with the Uniting Church for the past 35 years, as well as giving religious instruction to Mayfield State School students for the past 15 years. Jim has accumulated 25 years as a scout leader and member of the City of Belmont Historical Society.

Camille Bichard is a volunteer worker at the Carers Queensland resource centre, where she performs numerous administrative duties, including stamping envelopes, collating material, inserting flyers and labelling. Camille is a happy and outgoing person who never complains about the tedious nature of some of the work she is asked to do. Her valued assistance allows Carers Queensland to contribute more to the community.

Val Flack received a Griffith Australia Day Award in recognition of seven years of volunteering for Carers Queensland. Val reliably provides administrative support to staff members and is known for her cheerfulness, her willingness to assist and her unassuming nature.

Mary Woodall has volunteered with Meals on Wheels for many years, always willing to assist at a moment’s notice. She organises and runs the drama section of the annual Brisbane Eisteddfod. Her lengthy involvement with local community theatre group, the Villanova Players, has seen her perform numerous roles, including actor, director, backstage crew, committee member and six years as president. Mary also makes time to perform concerts for people with disabilities and shut-ins.

Beryl Smith has volunteered her services as a scout and cub leader for the past 21 years. She has also been heavily involved with the Cannon Hill ladies bowls club, holding a wide range of offices ranging from kitchen liaison officer to ladies club president. Beryl is also on the Parochial Council of the Church of Ascension at Morningside and is heavily involved in fundraising.

Col De Vantier numbers among the humble volunteers upon whom our community relies. Col is currently the area coordinator for his local Neighbourhood Watch, treasurer of the local Probus branch and an active committee member of the Carindale branch of COTA National Seniors.

Erin Marrone was nominated for a Griffith Australia Day Award in recognition of her exemplary efforts at Life Stream. Erin brings empathy, flexibility, diplomacy and understanding to her work with intellectually disabled individuals as she assists them in accessing sport and leisure activities. Bill Vowles is another volunteer worker from Life Stream. Bill lives on Lamb Island but takes the time to travel to the Griffith electorate to work with people with intellectual disabilities. Last year Bill volunteered an accumulated 450 hours, assisting folk at Life Stream to participate in and enjoy leisure activities.

Edward Laycock established the Carindale National Seniors and has chaired the organisation since its inception. Edward’s efforts ensure the group is a thriving affair, organising meetings and arranging day trips to various locations. Edward is also on the committee to facilitate a merger between the National Seniors association and COTA.
Diane Gangemi is a stalwart of the Carina Meals on Wheels program, having volunteered for the past 15 years. Diane has performed both kitchen and delivery duties and currently volunteers three days a week. In the kitchen, Diane helps prepare three-course meals for up to 200 people. Jennifer Doessel is another long-time volunteer worker with Carina Meals on Wheels, having offered her services since 1986. Described as the ‘epitome of reliability and loyalty’, Jenny has never failed to keep her commitment over that 19-year period. At present she is working up to five days a week as a driver’s assistant.

Errol Grant has been nominated for his dedication and commitment to the Junction Park Stamp Club. Errol has served as vice-president and has been president for the last 20 years. During this time he was also on the Queensland Philatelic Council. Errol was involved in the resurrection of the Mary Mac Stamp Day, which has become the biggest and most successful annual stamp day held in south Queensland. Peter Riley is another stalwart of the Junction Park Stamp Club, having joined the club in 1977 and served on the club’s management committee soon afterwards. Peter has been the club’s exchange superintendent for many years, devoting much time and effort to ensuring that the club runs smoothly and provides great enjoyment for club members.

Chris O’Keefe has been nominated for a Griffith Australia Day Award for his volunteer work at the Anglican Refugee and Migrant Service. He began work with the organisation assisting with the establishment of the Annerley Book and Literacy Centre and has since worked in most areas of the organisation. Chris is currently a member of the ARMS advisory committee, as well as being in charge of information technology, office management and finances. Chris is also a mentor to the trainees.

A longstanding resident of the Annerley district, Frances Brandon is a much valued member of our local community. For many years Frances has been involved in community organisations and committees, including the Junction Park State School swimming club, where she has served in almost all committee positions; the Junction Park State School P&C; Our Ladies College P&C; Our Ladies tuckshop; and the local scouts and guides.

Robyn Twell has been an active member of the East Brisbane community for many years, particularly at the East Brisbane Community Centre. Robyn is an important member of the management committee and was recently involved in restructuring the centre to improve the efficiency of the centre’s operation. It is good to see Robyn remaining active in local community life since she has completed her term as a member of the Brisbane City Council, having represented East Brisbane on the council for quite a number of years. For her, elected life has not spelt the end of her community life, and she should be congratulated on that.

For the past 50 years, Ailsa Gillies has donated her time and energy to the local community through volunteer work with the Queensland Naturalist Club, promoting the preservation of native flora and fauna. Ailsa also volunteers for the Queensland Library Foundation, the University of Queensland Alumni Association, the Lyceum Club and the Zonta Club of Brisbane.

Garth Inglis has been a committed member of the Lions Club for 35 years. Garth has performed numerous roles, including president, in both the Cannon Hill and Camp Hill-Carindale Lions clubs. His involvement with the Carina and Districts Committee on the Ageing has seen him perform the duties of treasurer for the last six years. Garth is also a committee member and on the board of management for his local church.
Joan Wilson has been a member of the Coorparoo and Districts Heritage Group since its establishment and has held the position of Honorary Treasurer for the past nine years. In addition to her dedication to the Coorparoo and Districts Heritage Group, Joan is also a member of the Brisbane History Group and the Royal Historical Society of Queensland.

William Gabriel, known to me as Bill Gabriel, has had a long association with environmental groups on the Southside. Bill has volunteered his time cleaning up Seven Hills bushland, contributed to both the Toohey Forest and Karawattaa Reserve preservation groups as well as ‘Save Our Squirrel Gliders’ committee activities. Bill has also helped establish the Bulimba Creek Protection Society and has held several executive positions on the Rivermouth Action Group.

Suzy Wilson conceived and launched the Riverbend Readers’ Challenge in association with the Fred Hollows Foundation and the Ian Thorpe Foundation for Youth trust. The challenge raises money to purchase books for literacy programs in Indigenous communities and encourages children to read. One-hundred and twelve schools along with scores of individuals entered the challenge, meaning that over 38,500 books were read for the challenge last year alone. Suzy Wilson is a deserving recipient of a Griffith Australia Day award.

Bill and Dawn Denman are active members of a local Neighbourhood Watch and the Morningside Pensioners and Superannuants Group. In addition to this Bill is an active member of Graffiti Busters and Dawn volunteers at the Balmoral Uniting Church co-op.

Leticia Adina has been recognised for her volunteer work with the Filipino-Australian Teachers Association of Queensland. Leticia works at the Tingalpa State School every Saturday, spearheading the quality of teaching and learning in the Filipino language and culture not only to Filipino children but to all citizens interested in learning.

Myrla Prianes is another member of the Filipino-Australian Teachers Association of Queensland. She is a full-time teacher who volunteers her weekends as part of the Filipino-Australian Teachers Association of Queensland literacy and culture program.

Luzminda Tinambacan volunteers her time every weekend with both Leticia and Myrla at the Filipino-Australian Teachers Association of Queensland, translating and encouraging other members to translate English modules into the Filipino language, Tagalog.

Hazel Shields is President of the South East Queensland Wildlife Rescue. Hazel works tirelessly for this cause to ensure that no animal is ever turned away. Recent animal rescue work includes mending injuries to the face of a young blue-tongue lizard and attending to the beak of a kookaburra. Hazel is also an enthusiastic volunteer for the local Mount Gravatt Seniors Group.

President of the Friends of Balmoral Cemetery, Calvin Johnston, accepted a Griffith Australia Day award on behalf of this group. Friends of Balmoral Cemetery have been nominated as a group for the valued role they play informing the community of our rich local history. With a membership age between 13 and 83 their motto is restoration, respect and responsibility. Regular working bees have helped restore and maintain the historical Balmoral Cemetery. Their research has been archived in the State Library.

Leslie Gray is an active member of the Canon Hill Community Association, the Canon Hill School of Arts and the Sixties and Better Group. In addition to this, Les volunteers his time and energy as a caretaker, clearer and janitor at the School of Arts. Les is a first-class repre-
sentative of our local community. He has made an enormous contribution to local community
life and deserves this award enormously.

Mervyn Schramm has been a long-time member of the Seven Hills Neighbourhood Watch
and was area coordinator for 15 years. As part of his duties during this time Mervyn visited
the scene of crimes with local police to aid victims. During World War II Mervyn was a navi-
gator and trained others in this area. Mervyn is also a keen student and teacher of Esperanto
and is known in his neighbourhood as the ideal neighbour.

These individuals represent an enormous contribution to our community life on Brisbane’s
Southside. If you were to put together the number of volunteering years they have contributed
to our community life, it would rise to a number close to 1,000. Sometimes in this parliament
we forget what the taxpayer would be asked to pay were it not for local community volunteers
such as these fine upstanding community leaders whose names and short records of achieve-
ment I have formally incorporated into this parliament’s Hansard today. On behalf of our lo-
cal community in Brisbane, I would like again to thank all award recipients for the contribu-
tion they have made to our community. They are saluted for their service. Their country sa-
lutes them for their service, and this parliament does so as well.

Mr NAIRN (Eden-Monaro—Parliamentary Secretary to the Prime Minister) (6.29 p.m.)—
The address-in-reply to the Governor-General speech, in which he addressed the issues for the
government over the next three years, is a particularly opportune time for me as the member
for Eden-Monaro to put on the public record a number of comments and issues related to the
election campaign, the election result, issues of importance in the electorate, and things that
have been achieved and will be achieved in the next three years.

I was certainly very pleased with the result in my seat in October and very grateful for the
very strong support I was given by the electorate of Eden-Monaro to represent them for a
fourth term. It was a great honour to win the seat back in 1996 from the Labor Party and it is
certainly a greater honour to be re-elected now on three occasions following that first win.
There are quite a number of people who should be thanked for helping me to win the election.
To summarise the result, there was a swing in the election to me of nearly half a per cent on a
two-party preferred basis. On a primary vote basis, the swing was 7.4 per cent, which gave me
a primary vote of 48.5 per cent, which is in fact the highest primary vote that I have had and
the highest primary vote of any sitting member in Eden-Monaro for quite some time. I was
very pleased with that very strong primary vote and ultimately the final vote.

But that does not happen easily. It only comes with a lot of hard work. I would like to put
on the record my thanks to the campaign committee who worked with me in the lead-up to the
election and on election day. I would like to thank the chairman of the campaign committee,
Stephen Beer, and people from right around the electorate who came together to assist. They
were working on the campaign from well before the election. In fact, it was almost 12 months
before the election that the committee re-formed and started to meet on virtually a monthly
basis to make sure that things were put in place. You never take Eden-Monaro for granted. It
is always a pretty tough electorate. We do not take anybody for granted, and you need to
demonstrate to the people of Eden-Monaro that you are worthy of another term. The cam-
paign committee is an important part of that. So I thank Stephen Beer and Stephen’s wife
Jane, who did a lot of the coordination of polling booths. We have 70-odd polling booths
around the electorate, so it is a big logistical challenge on polling day. Jane did a great job. I
would like to thank our treasurer, Sarah Cruickshank, and the FEC president, Matthew Mason-Cox as well. They put in a huge effort, as did numerous other people who form that committee.

I should also put on the record my thanks to all the branches of the Liberal Party, who gave me great support. They are growing and have been growing now since 1996. I thank all the people in the branches right around the electorate. They were certainly all out there on polling day. Probably one of the stark contrasts between us and our main opponents on polling day was that virtually all our booths were overwhelmingly manned by local people. A number of locals commented on that. People trucked in from Wollongong and Sydney and places like that to operate booths for the Labor Party do not go unnoticed by the locals. That is a very strong point in my seat.

I would like to thank the staff in my office, who do a sterling job as well and who worked extremely hard as part of the overall team, particularly Jenny, the major person in my office, who has been with me now for over seven years. Finally, thank you to my wife and family. All members know what support they get from their family. They cannot do this job without that, and it can never be forgotten. So it was a great team effort right around, with all of those various people coming together to do a tremendous job on the day.

The actual campaign was interesting. A lot has been said and a lot has been analysed about the campaign, from various quarters. Every electorate is different and, while the overall emphasis seems to be on a national basis, we all know that elections are won and lost in individual seats. What is happening in one seat is often not realised, compared to another seat.

Labor certainly made a lot of claims during the election campaign within Eden-Monaro. Where they went horribly wrong was that they made unbelievable claims. The average Joe who may not be involved in any political parties would hear these particular claims and think: ‘That’s not true.’ One of the things that my Labor opponent constantly said whenever he got on the radio was that nothing has actually been achieved in Eden-Monaro for eight years. So the people who have got jobs and so on were thinking: ‘Hang on a minute. It’s not that long ago that we remember unemployment being extremely high, and now it’s come right down. It’s much easier to get a job.’ In some parts of my electorate, it is not too many years ago that unemployment was running at 15 to 20 per cent, whereas in those locations now unemployment is down around six and seven per cent and, across the electorate itself, below five per cent—better than the national average of unemployment. So when somebody said, ‘Nothing has happened; the coalition government hasn’t been good for Eden-Monaro,’ which is what the Labor candidate was claiming, everybody would say, ‘That’s a nonsense.’

When he said, ‘Nothing’s happened,’ the people in Eden would say, ‘Hang on a minute. We’ve got this Defence wharf that’s been built in Eden in the last few years that the coalition government and Mr Nairn as the local member have achieved. Look at the positive impact it’s had on our area. Doesn’t this guy know about that?’ Then there were the people down in Cooma, where the Defence Service Centre was opened a few years ago. At a time when the state government closed the jail in Cooma and 60 or 70 jobs went out of Cooma, the federal government opened up the Defence Service Centre, employing 80-odd people. So, when this guy said, ‘Nothing has happened over the last eight years,’ the people in Cooma thought, ‘Gee, he obviously doesn’t know the electorate at all.’ Down in Bega, where Bega Cheese went from employing fewer than 100 people in 1996 to now employing over 500 people with
the assistance of the federal government through a number of programs for the further value adding of their great product, people were saying, ‘This bloke obviously doesn’t know what’s going on. Look what we’ve been able to achieve in our area.’

I can go on. There is the Bega Education Access Centre and the Bateman’s Bay Library and Education Access Centre, where people today are doing full-time university degrees through the University of Wollongong. That was not possible in 1996. Over 200 people now are doing full-time degrees in those parts of the South Coast, people who previously would have had to travel to Canberra, Sydney, Wollongong, Melbourne or somewhere to go to university. Those people were saying, ‘This bloke doesn’t know what he’s talking about, claiming nothing’s happened.’ In just about every aspect of life, I could demonstrate a number of examples in that respect.

The claims of nothing having happened were just not believed. If you are going to run political advertising, the first rule of thumb is that you reinforce what people know to be true; you do not try and make unbelievable claims, because people say, ‘What a load of nonsense.’ And that is exactly what occurred. They said, ‘What a load of nonsense,’ and consequently there was a strong swing to me in the election.

One of the other aspects of the campaign that is being debated nationally is in respect of positive and negative advertising—in particular, the claim from the Labor Party about all the dreadful negative advertising that the coalition supposedly ran. When I look at the so-called negative advertising that came from us, I see that it was basically the facts. We were telling people the facts about the Labor Party. If the facts are seen by the Labor Party as being negative, then so be it—they are the facts.

The Labor Party also claimed that they were not running a negative campaign—that they were running only a positive campaign. As the Parliamentary Library recently reported, that certainly was not the case in Eden-Monaro. In a document from the Parliamentary Library titled Campaigning in the 2004 federal election: innovations and traditions, they talk about advertising. They say how Latham lamented that his greatest misjudgment was in believing that the positive party would win. They also refer to Queensland Premier Peter Beattie complaining that the Labor Party was too nice. The same Parliamentary Library document goes on to say:

Such comments and claims discount that Labor also utilised personal attack advertisements, targeting Howard, Costello and Eden-Monaro Liberal candidate (and sitting member) Gary Nairn.

I was singled out in the negative advertising the Labor Party claim they did not do. It is a matter about which I will be writing to the Joint Standing Committee on Electoral Matters, because there is an issue here that I think that committee, which I used to chair for about four years, should have a look at. The reason I raise this is that, about a week or so out from the election day, funny ads started to appear on TV. I was in Eden at the time. I had been door-knocking in Eden one afternoon and, after the doorknocking, we went round to the Eden Fishermen’s Recreation Club for a quick drink to cool off; it was quite a hot day. One of the football finals was about to start—there were quite a few people in the club watching the football finals—and on came this ad. It was obviously about me.

First of all, it was complaining that I was never in my office. Most of my constituents reckon that that is terrific because it means that I am out and about the electorate or I am representing them in parliament. The ad seemed to infer that you should not go to parliament—
that that was bad—and that you should be stuck in your office the whole time. Most people commented on that and said, ‘We think it is great that you’re not in your office, because that means that you’re out seeing us, working with us or representing us in parliament. That’s terrific.’ The ad ended with a photo that obviously had been taken from the Parliamentary Library or the records here at Parliament House. It was a photo of me but it was distorted. It turned my face red and turned my eyes around in a strange way.

**Opposition members interjecting—**

**Mr NAIRN—** Members opposite laugh about this. In election campaigns, the advertising companies try to find a bad photo of an opponent and to use that bad photo. I am not stepping back from that. I do not mind if they want to find a bad photo of me looking funny somewhere or other and to use that; well and good. But that is not what they did. They took a legitimate photo and then played with it. They completely distorted it to make me look like a devil and something really quite weird. There was no information in the ad to say that they had digitally changed it in any sort of way, which you would expect should happen. There was nothing to say that it was a changed photo and that it was not actually Gary Nairn. It was absolutely atrocious. I reckon that it gained me a lot of votes because people were very upset by it.

They then decided to send around the letterboxes a flyer based on the same ad, mainly in Queanbeyan because that was where they were trying to shore up the traditional Labor vote. I ended up with a two to three per cent swing to me in Queanbeyan so that was very fortunate—thank you very much—and this flyer probably helped. Once again, they showed this distorted picture in the flyer. The television one gradually changed, but the flyer contained the end result of this distorted picture. It did not acknowledge that it is a digitally changed photo. I will be writing to the Chairman of the Joint Standing Committee on Electoral Matters asking him to look at that issue of advertising. Recognition should be given if you are going to digitally change a picture. I think it is a practice that should be outlawed. It is appalling and, at the end of the day, it certainly worked against the Labor Party.

I will probably receive some support on this from a very strange source—the ACT Labor Chief Minister, Jon Stanhope. Not too many weeks ago, Jon Stanhope was on the radio absolutely complaining like you would not believe because the *Canberra Times* put a photo on the front page of him dressed up as a doctor. To the credit of the *Canberra Times*, that photo acknowledged that it was a digitally changed picture, that they had taken the face of Jon Stanhope and put it on a doctor’s uniform. He was most upset. He is a fairly thin-skinned chap, old Jon. I suspect that he would probably support me in this, although I notice that he did not say anything at the time about those dreadful ads that were running quite constantly out of Canberra in the week before the election, and then in the letterboxes.

While I am referring to Jon Stanhope, one of the issues that came up in the campaign was the jail that the ACT government proposed to build at Hume when the only residents to be affected by the jail live in New South Wales and do not get a say in it at all. He has continued to go ahead with that jail in an arrogant way even though his preferred site was near the airport, at Majura, which was made available to him last July—a long time ago. However, he continues to prefer his second-best site. Although his best site is now available, he will not put it there.
The people of Jerrabomberra recognise what a bad neighbour the ACT Chief Minister is in that regard. He has not spoken to them. An interesting piece of history was rewritten after the election. The jail was an issue in the election. My opponent, who was on Jon Stanhope’s staff when the jail announcement was first made, claimed after the election that part of the reason he did poorly in Jerrabomberra was the jail issue, which he claimed caused a huge swing in Jerrabomberra against the Labor Party. In fact, there was only a one per cent swing against the Labor Party at Jerrabomberra but he said in the press that the swing was 14 per cent. He was comparing the vote at the federal election with the vote in the state election, which was substantially different. The swing was only one per cent. The Labor Party tried to rewrite history there. I will be taking those issues up with the electoral matters committee.

We will press on with the next three years. Although we have achieved many things, we can achieve a lot more. I set out in the campaign so many of the things we will work towards over the next three years as I represent the people of Eden-Monaro in the positive way I have represented them over the past nine years, making great headway with job creation, economic activity and improving our lifestyle right around the electorate. I support the Governor-General’s speech and the great things that were set out there for the next three years. (Time expired)

Mr LAURIE FERGUSON (Reid) (6.50 p.m.)—At the outset I congratulate my Liberal opponent, Sarah McMahon, who waged essentially a solitary campaign. She came into the electorate with a very poor Liberal Party organisation, to the point where, in contrast to Eden-Monaro, a significant number of people on election day had to be paid to work for the coalition. I cannot believe some people’s ethics, with many of them saying they vote Labor but that they are prepared to work for the Liberals for money. So I do congratulate her. She came into an electorate where the Liberal Party organisation is largely developer driven, with people with interests in commercial and flat construction who do not tend to take much interest in state and federal elections.

There was a swing of four per cent. I must confess that I was quite surprised. I was expecting our party to do better because I thought there was a degree of differentiation around issues such as health and education. I think that what we accomplished in this electorate that perhaps gave us a mistaken impression was that our party faithful, people holding positions in the Public Service and the private sector who were perhaps reticent at the previous election, were more forthcoming in support for the party. I think that gave us a false sense of expectation.

However, whilst we conveyed a great degree of differentiation over the defence of Medicare, over the redistribution of money to more needy schools and over efforts relating to TAFE and university places, I think the government’s ability to give an image of greater certainty on interest rates, the image of a less experienced leader and some controversy over the family payments issue unfortunately meant that the Labor Party were unsuccessful.

Whilst supportive of the candidate in Reid, I wish to express grave concerns about political developments in the adjacent seat of Parramatta. We are not crying poor mouth on this because, as we know, one of the few areas where Labor went ahead was in the Parramatta electorate. A disturbing development on election day was the physical assault by six or seven hoons who severely bashed a worker for the Liberals for Forests around the head to the point where 12 or 15 police had to be called to the Rowland Hassall polling booth in Parramatta. These people, rushing from a car and severely kicking this election worker around the head,
were the acolytes of Liberal Parramatta councillor John Chedid, who had become rather en-
raged that poll workers refused to leave the polling booth when he requested it. This had been
preceded earlier in the day by the photographing by the defeated Liberal candidate, Mr Cam-
eron, of poll workers for Liberals for Forests. Many of them were photographed and threat-
ened that, if they were backpackers or not entitled to work in this country, they would be ex-
pelled from the country and excluded. This is a very worrying development.

The further problem that we have in this country is that this follows the degree of intimida-
tion at the recent Holroyd council elections. We now have the situation where police are
called to polling booths. My concern is not only with the physical violence directed at poll
workers, and I can assure you that the number of scratches he had on his head was quite nu-
umerous. The problem is that police are not experienced in running polling booths. When the
police were called they got to the stage where they were giving poll workers instructions as to
how the polling booth would be staffed by both political sides. This is not police experience.
We have a problem when people could be restricted in their right to have access to poll work-
ers by the need to have police on the site. So I do express concerns about those matters.

I want to turn to a few local issues. Firstly, I note that tomorrow night Granville Boys High
School, in my electorate, will receive a national award focused around encouraging non-
English-speaking background parents to be involved in their school. I congratulate the current
acting principal, Angela Liakis, and her predecessors John Hardgrove and Marie Gray-Spence
for a significant effort over the last decade in improving the status and performance of this
school. The proportions of this school community are that 99 per cent of parents of children in
this school are from a non-English-speaking background. What we have seen there is an effort
that has led to a P&C attendance of greater than 60 students, an 80 per cent attendance rate by
parents at parent-teacher nights and closer contact between the school and the parents through
the community liaison workers. Having active community liaison officers gets over this pat-
tern where, in a way, some of the children act as the contact point between the parents and the
school such that, where you have absenteeism, the students basically answer for the parents
and avoid responsibility. There has been a very successful effort amongst Arabic, Islander and
Turkish communities to improve the school image and involve parents. In passing, I also con-
gratulate my state colleague Kim Yeadon for accomplishing a $3 million to $4 million devo-
tion of money to the school for a new gymnasium, assembly hall and open space parks.

I turn to the other large sector of our education system; that is, Catholic schools. In a simi-
lar fashion to a national award being received by Granville Boys High School tomorrow
night, Trinity College in Auburn received notoriety in the Australian newspaper’s awards for
excellence in schools last November. Trinity College was established in 1995 by the amalga-
mation of three local Catholic high schools. With 1,250 students, it is the largest secondary
school in the Catholic system in the archdiocese of Sydney. It has achieved outstanding aca-
demic results with 80 per cent of the HSC subjects above the state average in 2003.

As I said, Trinity College was successful in the Best Schools program in 2004. It is located
on a number of campuses. I note amongst its efforts the fact that teachers run after-hours
study room courses, supervising study for those students who, perhaps, come from families
that are not greatly oriented towards study or whose parents are not experienced in supervis-
ing study. In my area there is a significant number of people who are illiterate in their own
language, let alone fluent in English. A significant number of these people have not accom-
plished secondary schooling. I note a summary in the recent St John’s Primary School newsletter which said:

Few of its—

that is, the local high school’s, although it is St John’s Primary School newsletter—
pupil’s parents went to university, and languages other than English are spoken in 75 per cent of students’ homes. And Trinity serves communities cursed with low incomes and high unemployment. Supporting the theory, in 1995 only 26 per cent of students had HSC results above the state average.

So they are very impressive results from both that Auburn Catholic school and that local government school in Granville.

I turn now to a few other local matters. I want to recognise the efforts of Laurie Gordon, the Auburn Council citizen of the year. Laurie has devoted significant efforts to the preservation of local heritage and to vegetation renewal along the Duck River, which is on the boundary between the suburbs of Granville and Auburn. This area has one of the last vestiges of the Cumberland Plain forest in Sydney. Not only is Laurie a member of the Lidcombe Heritage Group and Friends of Duck River but also of Auburn Greenspace, which for many years conducted probably Sydney’s best community managed environment expo. He is also active in the Auburn Historical Society, which was established in 1970. He is a very fitting person to receive the Auburn Council’s citizen of the year award.

The young citizen of the year award was awarded to Mohammed Zaoud, who will be coming to this parliament next month as the recipient of a national award. He will also be at the National Schools Constitutional Convention to be held here later this year. Mohammed is school captain of Homebush Boys’ High School, has acted as a tutor and mentor and has helped with the reading and conflict resolution of students. In his spare time he is a volunteer for the Islamic Development Centre of Australia and the local youth protocol committee as well as deputy chairman of the Auburn youth advisory committee. In a very diverse effort, Mohammed was a Rotary youth enrichment program member in 2003. The following year he was at the Model United Nations Assembly. He will be here for that National Schools Constitutional Convention, and he is a very fitting person to win the young citizen of the year award.

In one of my other councils, Holroyd, the citizen of the year was Merv Wright, a person who has devoted a lot of his life to ensuring that disabled people have access to sporting facilities and to participation in sport. That was an award that was richly endorsed throughout the area.

While I am speaking of schools, I will briefly refer to what I understand is a claim—and I hope it does not turn out to be true—that the government is considering tightening measures with regard to the Aboriginal Student Support and Parent Awareness scheme. The claim relates to requirements that a large amount of documentation be filled out for people pursuing that scheme. I am interested in this because, firstly, there has been a press release about it today and, secondly, I had a friend called Peter Holt, who for many years worked at Kintore on the border of Western Australia and the Northern Territory where he was the equivalent of what we call in urban centres a town clerk. I remember him telling me that, whenever he went on holidays there, he found that people could not fill out social security forms, because many of them were not literate in English; they spoke Aboriginal dialects. As I say, we are talking about good things in education and we are talking about success in my electorate, so I would hope that the report is inaccurate and that this does not occur. To demand of Aboriginal fami-
lies that they and schools—schools of very small numbers—actually complete these kinds of forms is, I think, a very excessive demand.

Turning to my electorate again, I want to raise another issue—that is, the Granville speedway. Quite frankly, the continued presence of the speedway is one of the worst things my constituents suffer. It has, over the years, managed not only to continue to operate but also, over recent years, to expand its number of meetings. To put it bluntly, I hope that the time soon approaches when the state government and the people in this sport can get around to moving it somewhere else. Saturday and Sunday nights, particularly around the Christmas-New Year period, are a pain in a number of places to my local residents. I myself live within close proximity to the speedway, and to hear it at all hours of the night is appalling.

I am also concerned that, it seems to me, a few pieces of chicken, a few glasses of wine at the speedway and free tickets is enough to persuade some people on the Parramatta City Council that this is the greatest thing since sliced bread. We have some councillors getting up and putting the ridiculous proposition that Parramatta’s more upmarket hotels have increased room usage on the nights of the speedway. They are actually coming to council and reading out advertising blurbs from the speedway as to how great they are and what they are doing for the community. This is the same speedway which, having committed itself to a massive donation to the Granville Youth and Community Centre and having presented a big publicity cheque a few metres long, took another year to hand over the money to the youth centre on the premise that works had not been done on their speedway which the council had committed itself to.

As I say, I am not campaigning for the removal of the speedway in the next few years, but over the years it has been allowed to gradually increase its meetings, and the situation is now getting to a fairly intolerable level. The reality is that the local population is changing. We are going to have a more articulate and active community in that centre. The development of Newington a few kilometres away is seeing a very big change to the nature of my electorate, and what we are going to see is, as I say, increased pressures on this. It is about time the state government got around to finding an alternative location for the speedway, which is state owned, and looked towards moving it out of the way. I would hope that fewer councillors find that their favourite weekend activity is having free tickets to the speedway and receiving entertainment there.

Finally, I want to get back to the national picture. As I have said, the government did manage to convince the Australian electorate that the coalition could provide more security with regard to interest rates and that there were surer hands there. Under the picture of how great things are, I want to quote some figures from an article by Tony Bramble in the December 2004 Journal of Political Economy. Among the matters that he refers to is the fact that we have seen the casual work force in this country grow from 16 per cent of the entire work force to 28 per cent. We have seen that 35 per cent of the new jobs created by this government are casual. We have a situation in which, in 2002, Professor Ann Harding said that the top 10 per cent of this country hold 46 per cent of the wealth. We have a trend where, in 1996, 43 per cent of people in this country owned their own home and 28 per cent were paying it off. In contrast, we now have a situation where there has been a deterioration in that level of home ownership and of people paying off a home. Of people 25 to 39 years old, in the same period there has been a 10 per cent decline in the number of people owning their home.

MAIN COMMITTEE
Between 1994 and 2004, total earnings in this country were $77 billion. In contrast, consumption was $110 billion. That has led to the massive debt that we experience. The household debt to income ratio was 35 per cent in 1976; in 1990 it was 50 per cent; and in 2004 it went up three times, to 150 per cent. Foreign debt shows another pattern of grave concern. It was $245 billion in December 1999, 44 per cent of GDP. By June 2004, it was 48.5 per cent of GDP, a total of $394 million. In an article titled ‘Howard’s house of cards’ in Dissent magazine No. 16 of summer 2004-05, Ken Davidson contrasted the rhetoric of low interest rates in this country with those of overseas countries.

The pattern with regard to elaborately transformed manufactures in this country is also alarming. In the decade to 1996, we had 18 per cent per year growth in elaborately transformed exports. Since 1997 we have gone from 18 per cent growth to 1.7 per cent average growth per year. Those figures are from the National Institute of Economic and Industry Research. The trade deficit in these has gone from $18 billion to $74 billion. In this country we have an increasing dependence on raw materials and dependence on exports of coal. We have seen the Prime Minister’s preoccupation with that today in regard to the international problems of global warming.

There is also the reality of Telstra. In 1990, Telstra devoted $4 billion to investment in the system. Now it has deteriorated to $3 billion. That has gone from 30 per cent of their revenue to 14 per cent. Ken Davidson said:

Behind the smokescreen supplied by the $8 billion budget black hole, Costello slashed $2 billion worth of R&D, business and export development programs plus funding cuts to universities and training programs.

We have seen a very great and increasing dependence on raw materials, a retreat by this country from being competitive with regard to ‘first field’ industries and a decline in research and development expenditure. In the last figures I saw from the OECD, we were still leading Turkey—towards the bottom of the barrel. We are seeing a retreat from an expectation that this country can accomplish things through skills and training.

In conclusion, I want to briefly thank my campaign committee. The reality in my electorate is that a large amount of my campaign is waged by my own office. All staff are involved in that, particularly Maurice Campbell, who comes to life every election period. He was strongly supported by a number of people who came in on weekends and every day of the week, doing folding et cetera. Locally, a four per cent swing to the Liberal Party was largely concentrated in working-class and poorer parts of my electorate. To a large degree, I think that reflected the family payments issue. Some people are so in debt and so close to the bone that $400 a year is the biggest amount of money that they will see. Receiving $800 to $1,200 is a significant payment. Coming, as it did, before the election, it was a very significant payment.

As I said earlier, a degree of differentiation around health and education meant that there was greater morale in the party during the election period and that a lot more people were prepared to come out and assist the campaign. That was in stark contrast to the previous election result, when there was a degree of pessimism in the party organisation. The differentiation in regard to HECS payments, the redirection of money to poorer schools, the preservation of Medicare and doing something about the ageing population in this country with the gold card were matters of pride for the party in what turned out to be a very unexpected and poor election result.
Mr TOLLNER (Solomon) (7.09 p.m.)—I would like to congratulate my opponents in the last election, in particular Jim Davidson of the Labor Party; Ilana Eldridge of the Australian Greens; Maurice Foley, an Independent who stood; Duncan Dean of the Australian Democrats; and Mark West of Family First. Whilst it is always good to see off opponents at an election, democracy in this country would be a lot poorer without people who stand up and contest elections. I would like to personally congratulate them and thank them for the honourable way in which they conducted themselves throughout the campaign. Apart from their political views, there is not a bad word that I can say about any of them.

I would also like to congratulate my other Territory colleagues: the member for Lingiari, Mr Snowdon; Senator Trish Crossin; and Senator Nigel Scullion, my good friend and colleague in the other chamber. I congratulate them on the way they conducted themselves through the campaign and the way they eventually got over the line. I have to say that at times I wonder what the member for Lingiari and Senator Crossin did wrong. I understand they had to withstand a full preselection to be endorsed to run again for the Labor Party. When all of the sitting Labor MLAs in the Northern Territory are automatically endorsed, you have to wonder what the ALP in the Northern Territory sees as the problem with Mr Snowdon and Senator Crossin.

I would also like to, in particular, add my personal thanks to the Prime Minister, the member for Bennelong, for his support during the election campaign. I am not aware whether there are other electorates in Australia like Solomon, but certainly the Prime Minister in the electorate of Solomon is held in very high regard for a number of initiatives that he has supported over the years that have been very dear to Territorians’ hearts, most notably the Adelaide to Darwin railway, bringing gas onshore from the Timor Sea and his magnificent support and leadership that is a hallmark when it comes to defence issues. Defence personnel comprise a great number of people in my electorate.

I would also like to thank the Country Liberal Party, the party that endorsed me as their candidate. It was a fantastic result for the Country Liberal Party. I was absolutely amazed at the way people came out of the woodwork to support the Country Liberal Party at polling booths, folding letters and doing all of that stuff that you need to do in election campaigns. I know members from both sides of the parliament are always very thankful for the support that they get from party members.

I would also like to place on the record my thanks to the Liberal Party. The Liberal Party, I think for the first time in the Northern Territory, really got involved with the Country Liberal Party in the election campaign. I was part of the Liberal Party marginal seats campaign, and the Liberal Party were absolutely first class in their support for me and the Country Liberal Party. In particular, I would like to personally thank the federal Liberal Party president, Shane Stone, for his support, and CLP members Suzanne Cavanagh, Charlie Taylor, Nick Xerakias and party president Paul Bunker for the outstanding contribution they made to my campaign.

In the short time that I have left, I would like to outline the most pressing concerns of Territorians. The most critical issue facing the Northern Territory at this time is where the Northern Territory population will derive its future sources of energy. I understand that, within the next five to 10 years, gas fields in the Mereenie basin will be completely exhausted. Currently all of the electricity supplied throughout the Northern Territory is generated by those fields. Whilst supply is decreasing, demand is increasing and accordingly energy prices will soon
increase rapidly. I have been critical of the Northern Territory government’s efforts in recent years to access gas from the Timor Sea—for example, they waste their time flitting around the world trying to sell Timor Sea gas to other markets when there is a major crisis in the Northern Territory and we need gas to meet our own domestic demand. I will not go into it too much here, but my position has been and always will be that, unless the Northern Territory government gets proactive in purchasing gas from these gas fields, nothing will happen. The Northern Territory is simply not a large enough economy to receive much notice at all from the major gas producers.

I also think that the Northern Territory government should be focusing their efforts on other areas as well. The Northern Territory government should be looking at solar energy for parts of Central Australia, where there is an abundance of sunlight and where there are great opportunities to extend solar systems and solar electricity generation into towns such as Alice Springs, Tennant Creek and Katherine. The Northern Territory government could also look at connecting into the electricity grids of other parts of the country to ensure supply of electricity rather than being totally cornered by a gas supply. If that gas supply, for whatever reason, were damaged in any way, there would be no electricity in the Northern Territory and that would obviously lead to a disaster. For a number of reasons, I think the Northern Territory government should cast a broader net when looking for ways to supply energy into the Northern Territory.

One of the major impediments to the development of the Northern Territory is the Aboriginal Land Rights (Northern Territory) Act 1976. The Aboriginal land rights act, as members will know, is an act of the Commonwealth government and applies solely to land in the Northern Territory. The Minister for Immigration and Multicultural and Indigenous Affairs has signalled that she is prepared to look at reforming the act, and I welcome that. It is probably one of the worst thought out laws that has ever been passed by the federal government. It literally jails Aboriginals on their land and almost certainly guarantees them a life of poverty. They are land rich, dirt poor.

It is almost impossible in the current regime of land rights in the Northern Territory to encourage any sort of commercial activity on Aboriginal land. Commercial organisations need to go through land councils, and land councils are very reluctant to allow commercial activity on land where they perceive there may be the threat that Aboriginal people will lose something. That is always the case in any sort of commercial activity. There is always the risk that there will be loss, but with risk comes the opportunity to gain. But that is a risk that no commercial operators have really been keen to take up on Aboriginal land in the Northern Territory, apart from the odd mine, the gas pipeline and the railway. You need to be a multinational company in order to negotiate commercial deals on Aboriginal land in the Northern Territory.

The way in which the Aboriginal Land Rights (Northern Territory) Act was drafted seems to put Aboriginal people in direct conflict with the Northern Territory government. The Aboriginal land rights act of the Northern Territory does not allow the Northern Territory government to acquire land for public purposes, so roads, schools, hospitals and anything else built on Aboriginal land really have no ownership because the underlying tenement on the lands where these things are built can never be owned by a government, an individual or a corporate organisation. So the Aboriginal land rights act has virtually forced the Northern Territory government into the courts to dispute land claims in order to protect the public interest. Over 27
years we have seen a very acrimonious relationship build up between the Northern Territory government and land councils, and that is a direct result of how the Aboriginal land rights act was framed.

I congratulate the minister responsible for Aboriginal affairs on recognising that there are problems with the Aboriginal land rights act and for looking at doing something about it. I think the best reform that this government could make in the area of Aboriginal land rights would be to completely patriate the act to the Northern Territory government. This would bring land management under a single regime in the Northern Territory. There is not another place or state in Australia where there are two different regimes of land management; it is only in the Northern Territory. This would allow local solutions to local problems, and it would allow the Northern Territory government and land councils to work proactively together for the benefit of Aboriginal people. I think that this is one of the most important reforms that any federal government could make to the Aboriginal land rights act. I commend the minister on moving ahead with reforms to the act, and I call on the minister to look at patriation of the act to the Northern Territory government.

I know federal Labor are opposed to the patriation of land rights. They believe that it is such an important issue that it should be elevated to the federal parliament; I think that is how their policy document reads. What they do not seem to grasp is the fact that this act does absolutely nothing for Aboriginal people, and Aboriginal people do not deserve the impost that this act places on them.

Another issue that is very dear to the hearts of Territorians is the equity issue of statehood for the Northern Territory. I believe that the federal government needs to show some leadership on this issue. I believe it is a federal government issue as well as a Northern Territory issue. In 1998 there was a failed indicative plebiscite on statehood, and I believe one of the major reasons it failed was that Territorians simply did not know what statehood would mean for them. There was a very robust constitutional convention—a lot of people were involved, a lot of information was taken on board and a constitution was knocked up—but the big questions about statehood were never answered.

When I say ‘the big questions’, they are the questions that are predominantly in the field of the federal government and in the bastion of the federal government. Issues such as Commonwealth constitutional matters were never discussed—future representation in the federal parliament, how many members would the new state of the Northern Territory have, how many senators would the new state of the Northern Territory have. What about the future status of some of the Commonwealth’s legislative regimes that currently apply to the Northern Territory? What about the future ownership and control of land currently owned and controlled by the Commonwealth under the Aboriginal Land Rights (Northern Territory) Act that I was just talking about? What about the future ownership and control of mineral and uranium resources and the regulation of uranium mining? What about the future ownership and management of Commonwealth national parks such as Uluru and Kakadu? What about the future control of industrial relations and the future financial relationships with the Commonwealth? None of these areas was addressed by that constitutional convention or in any form in the lead-up to that failed plebiscite in 1998. I believe these issues are central to the question of whether or not the Northern Territory should become a state, and I hope that somewhere along the line the federal government will get on with the job. We were promised statehood in the
Northern Territory five years after self-government. Self-government occurred in 1978. So in reality we should have become a state in 1982, and here we are in 2005 still discussing statehood for the Northern Territory.

The other major issue for the Northern Territory and for the good of the Territory is that the Martin Labor government in the Northern Territory has to go. I am putting the Martin Labor government on notice that I intend to fight very hard to see a return of the Country Liberal Party to government in the Northern Territory. Quite simply, Labor in the Territory is driving people away. It is not the same place as it was 3½ years ago. We have seen people leaving the Territory in droves, despite a population explosion of Aboriginal Territorians. You have to ask yourself, if you are not there, why are people leaving, considering the fact that we have a beautiful new railway, gas onshore, a continued defence build-up, massive projects happening at Alcan Gove and at the McArthur River, and new mines coming on line everywhere? The reason people are leaving is that Labor in the Territory is increasing taxes. It has increased car rego. It is putting in reforms such as pool fencing laws—which are generally fairly benign but in the Northern Territory are rather draconian, with people walking around with tape measures measuring to the millimetre the height of a pool fence. Labor did what it called gay law reform where it has deemed it is now appropriate for predatory older men to have sex with 16-year-old boys. Last week in the Northern Territory parliament, Denis Burke asked the Chief Minister a very simple question—to name one project that her government started and completed in this term. Clare Martin could not name a single project in the Northern Territory that Labor had started and completed in this term of government. I think that is a terrible indictment on the Labor Party in the Northern Territory, and, for the good of the Territory, Labor has to go.

Main Committee adjourned at 7.30 p.m.
QUESTIONS IN WRITING

Former Parliamentarians: Paid Consultancies
(Question No. 2)

Mr Murphy asked the Prime Minister, in writing, on 17 November 2004:

(1) Has he seen the article titled ‘Alston a hired gun on radio reforms’ in The Australian on 10 August 2004 which reported that the former Minister for Communications, Information Technology and the Arts, “left the Senate in February” and “has been hired by high-profile FM radio network Austereo to lobby his former government colleagues on crucial industry reforms”.

(2) Can he confirm that at least three former government ministers, the Hon Richard Alston, the Hon Peter Reith and the Hon Dr Michael Wooldridge, all resigned from public office and shortly after accepted paid employment or paid consultancies with private sector organisations operating in areas relevant to their responsibilities as ministers; if not, why not.

(3) Will he consider imposing a twelve month ban or other restriction on former ministers accepting paid employment or paid consultancies with organisations which may be able to take advantage of former ministers’ inside knowledge of areas relevant to their former portfolio responsibilities; if not, why not.

Mr Howard—The answer to the honourable member’s question is as follows:

(1) I am aware of the report.

(2) I am also aware of reports that some former ministers from both sides of politics have been engaged by private sector organisations after leaving office.

(3) I refer the honourable member to my statements in the House of Representatives on 10 August 2004.

Veterans: Medical Treatment
(Question No. 47)

Mr Murphy asked the Minister for Veterans’ Affairs, in writing, on 29 November 2004:

Can she confirm that s93 of the Veterans’ Entitlements Act 1986 requires the Commission to recover the cost of medical treatment in respect of conditions for which the patient has received compensation; if so, for each State and Territory, what sum has the Commission recovered during the financial year ending 30 June (a) 1999, (b) 2000, (c) 2001, (d) 2002, (e) 2003, and (f) 2004.

Mrs De-Anne Kelly—The answer to the honourable member’s question is as follows:

Yes, section 93 of the Veterans’ Entitlements Act (VEA) 1986 requires the Repatriation Commission, on behalf of the Commonwealth, to seek recovery of medical costs incurred for those conditions for which a patient has commenced, or can commence, litigation seeking damages for those conditions.

The basic philosophy underlying section 93 of the VEA is that the Commonwealth will not accept financial responsibility for the cost of treatment, either wholly or substantially, where another party has either a contractual, statutory or common-law liability to pay the cost of treatment.

According to the Department’s accounting systems, the amounts recovered each year by State and Territory was:

<table>
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<tr>
<th>State</th>
<th>98/99 $</th>
<th>99/00 $</th>
<th>00/01 $</th>
<th>01/02 $</th>
<th>02/03 $</th>
<th>03/04 $</th>
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<tr>
<td>NSW/ACT</td>
<td>1,286,126</td>
<td>1,025,021</td>
<td>958,660</td>
<td>1,817,625</td>
<td>1,412,284</td>
<td>1,556,863</td>
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<tr>
<td>VIC</td>
<td>30,423</td>
<td>576,712</td>
<td>338,615</td>
<td>88,862</td>
<td>1,198,941</td>
<td>428,668</td>
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<tr>
<td>QLD</td>
<td>318,574</td>
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<td>268,358</td>
<td>552,648</td>
<td>521,329</td>
<td>336,623</td>
</tr>
</tbody>
</table>
As the ACT and the Northern Territory are administered by the respective State Offices in New South Wales and South Australia, the Department does not distinguish to Territory level in regard to the amounts recovered.

**Kirribilli House: Wine Consultant**

*(Question No. 50)*

Mr Martin Ferguson asked the Prime Minister, in writing, on 17 November 2004:

Further to the answers to questions No. 2259 *(Hansard, 23 May 2001, page 26950)* and No 327 *(Hansard, 19 August 2002, page 4978)* concerning the cost of wines and liquor for Kirribilli House and The Lodge, since Mr Peter Bourne was appointed as a wine consultant (a) on what dates were purchases of liquor made for Kirribilli House and The Lodge and (b) what sum was spent on each occasion.

Mr Howard—The answer to the honourable member’s question is as follows:

The precise detail requested in the question is not readily available and I am not prepared to authorise the commitment of resources required to provide a detailed response. However, I am advised by my department that expenditure on alcoholic beverages, for cellaring and consumption, during the financial years since Mr Bourne’s appointment has been $22,668 in 2000-2001, $33,460 in 2001-2002, $27,028 in 2002-2003 and $27,196 in 2003-2004.

**Ministers: Gifts, Sponsored Travel and Hospitality**

*(Question No. 54)*

Mr Martin Ferguson asked the Prime Minister, in writing, on 17 November 2004:

What is the total value of gifts, sponsored travel and hospitality received by the (a) Prime Minister, (b) Deputy Prime Minister, (c) Treasurer, and (d) Minister for Foreign Affairs and declared to the Department of the Prime Minister and Cabinet in accordance with the Government’s guidelines concerning the receipt of gifts and hospitality.

Mr Howard—The answer to the honourable member’s question is as follows:

I am advised that the total value of gifts received before 17 November 2004 and declared to the Department of the Prime Minister and Cabinet in accordance with the Guidelines Relating to Official Gifts Received as being over the allowable limit is:

(a) $140,488.78 of which $129,940.46 remains the property of the Commonwealth. The contribution required to be paid under the Guidelines in relation to the $10,548.32 worth of gifts over the allowable limit that has been retained has been paid.

(b) (i) The Hon Tim Fischer - $10,369.65, of which $9,258.70 remains the property of the Commonwealth. Mr Fischer has paid the required contribution under the Guidelines in relation to the $1,110.95 worth of gifts over the allowable limit that he has opted to retain; and (ii) The Hon John Anderson MP - $675.00, all of which remains the property of the Commonwealth.

(c) $3,165.07, of which $1,483.00 remains the property of the Commonwealth. The Treasurer has paid the required contribution under the Guidelines in relation to the $1,682.07 worth of gifts over the allowable limit that he has opted to retain.
(d) $6,821.96, of which $4,462.00 remains the property of the Commonwealth. The Minister for Foreign Affairs has paid the required contribution under the Guidelines in relation to the $2,359.96 worth of gifts over the allowable limit that he has opted to retain.

Sponsored travel and hospitality are not declared to the Department of the Prime Minister and Cabinet. Members are required to declare sponsored travel and hospitality to the Registrar of Members’ Interests in accordance with resolutions of the House of Representatives. Information on sponsored travel and hospitality received by members, including those members referred to by the honourable member, is publicly available through the Register of Members’ Interests.

Governors-General: Expenditure
(Question No. 56)

Mr Martin Ferguson asked the Prime Minister, in writing, on 17 November 2004:

For each of the last ten financial years, what was the total expenditure on scheduled air fares and Comcar travel undertaken by former Governors-General.

Mr Howard—I am advised by my department that the answer to the honourable member’s question is as follows:

Expenditure on air fares and Comcar travel is shown in the table below. A consistent set of data is not available. It should be noted that the amounts include use of taxis, as this expenditure was not able to be separately identified.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994-95</td>
<td>$83,887*</td>
</tr>
<tr>
<td>1995-96</td>
<td>77,614**</td>
</tr>
<tr>
<td>1996-97</td>
<td>64,921**</td>
</tr>
<tr>
<td>1997-98</td>
<td>60,335**</td>
</tr>
<tr>
<td>1998-99</td>
<td>128,333</td>
</tr>
<tr>
<td>1999-00</td>
<td>157,360</td>
</tr>
<tr>
<td>2000-01</td>
<td>147,042</td>
</tr>
<tr>
<td>2001-02</td>
<td>54,400</td>
</tr>
<tr>
<td>2002-03</td>
<td>125,067</td>
</tr>
<tr>
<td>2003-04</td>
<td>116,185</td>
</tr>
</tbody>
</table>

* Includes $6,522 for air fares, however the completeness of this figure cannot be verified.

** Comcar costs only. Figures not available for air fares.

Commonwealth: Administrator
(Question No. 138)

Mr Melham asked the Prime Minister, in writing, on 18 November 2004:

(1) Is it the case that since the 1963 Premiers’ Conference it has been agreed by the Commonwealth and the States that State Governors are called on to administer the Commonwealth in order of their seniority of appointment to State office.

Mr Howard—The answer to the honourable member’s question is as follows:

(1) Yes.

Commonwealth: Dormant Commissions
(Question No. 139)

Mr Melham asked the Prime Minister, in writing, on 18 November 2004:
(1) Is it the case that on 20 May 2003 all State Governors were issued with new Dormant Commissions to Administer the Commonwealth to take into account changes in the Letters Patent made in May 2003.

(2) Is it also the case that Dormant Commissions have not been issued to the two State Governors appointed since May 2003.

(3) Has he decided not to advise the Queen to issue a Dormant Commission to the Governor of Queensland, Her Excellency Quentin Bryce, who was appointed on 29 July 2003; if so, why.

Mr Howard—The answer to the honourable member’s question is as follows:

(1) Yes.

(2) Dormant Commissions have not been issued for the three State Governor appointments made since May 2003. These are the Governor of Queensland, the former Governor of Tasmania, and the new Governor of Tasmania. Dormant Commissions are issued periodically, e.g. prior to May 2003 Dormant Commissions were last issued in March 2002 (to four Governors), and in September 1997 (to four Governors).

(3) No.

Veterans’ Affairs: Australian Workplace Agreements

(Question No. 211)

Mr Bevis asked the Minister for Veterans’ Affairs, in writing, on 29 November 2004:

How many employees of the Minister’s department (a) had their conditions of employment set by an AWA at (i) 30 June 2001, (ii) 30 June 2002, (iii) 30 June 2003, and (iv) 30 June 2004, and (b) currently have their conditions of employment set by an AWA.

Mrs De-Anne Kelly—The answer to the honourable member’s question is as follows:

(a) (i) 560
(ii) 541
(iii) 681
(iv) 836

(b) 832, as at 31 December 2004.

Communications, Information Technology and the Arts: Legal Services

(Question No. 276)

Ms Roxon asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 2 December 2004:

(1) What sum did the Minister’s department spend during 2003-2004 on outsourced (a) barristers, and (b) solicitors (including private firms, the Australian Government Solicitor and any others).

(2) What sum did the Minister’s department spend on internal legal services.

(3) What is the projected expenditure on legal services for 2004-2005 for the Minister’s department.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) (a) and (b) $382,101.40 inclusive of GST and any disbursements. Financial records relating to legal services do not distinguish between payments in respect of barristers and solicitors.

(2) $1,752,613.64. This includes salaries of support staff and contracts officers and all other expenses met by the Department’s Legal Group.
(3) The projected legal services expenditure could be as high $3,119,234.00. This figure incorporates the inclusions referred to in the previous answers.

Parliament: Quorums
(Question No. 364)

Mr Melham asked the Prime Minister, in writing, on 8 December 2004:

(1) Does he recall that the then opposition parties opposed the House of Representatives (Quorum) Bill 1988 and the Senate (Quorum) Bill 1989 on the grounds that the quorum in each chamber of the Parliament should not be reduced.

(2) Is it the Government’s intention to review the House of Representatives (Quorum) Act 1989 and the Senate (Quorum) Act 1991 with a view to either increasing or decreasing the number of Members and Senators required to constitute a quorum in each House of Parliament.

Mr Howard—The answer to the honourable member’s question is as follows:

(1) Yes.

(2) The Government currently has no plans to review the legislation and would, in any case, refer the matter to the relevant procedure committee for consideration.